2018 TAX CREDIT APPLICATION

For

Palladium Farmersville

Palladium Farmersville, Ltd.

TDHCA #18069

Primary Contact:
Thomas Huth
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Part 1 – Administrative Tabs
(Tabs 1-6)
Tab 1a – Application Certification
2018 Multifamily Uniform Application Certification

Mailing Address: P.O. Box 13941, Austin, TX 78711-3941
Physical Address: 221 East 11th Street, Austin, TX 78701

Development Name: Palladium Farmersville

The undersigned hereby makes an Application to Texas Department of Housing and Community Affairs. The Applicant affirms that they have read and understand the Uniform Multifamily Rules (Title 10, Texas Administrative Code, Chapter 10) and Qualified Allocation Plan (Title 10, Texas Administrative Code, Chapter 11). Specifically, the undersigned understands the requirements under 10 TAC §10.101 of the Uniform Multifamily Rules, Site and Development Requirements and Restrictions, as well as Internal Revenue Code Section 42. By signing this document, Applicant is affirming that all statements and representations made in this certification and application, including all supporting materials, are true and correct under penalty of law, including Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. Applicant is also affirming understanding of §10.2(e) of the Uniform Multifamily Rules, relating to Public Information Requests, specifically that the filing of an Application with Department is deemed as consent to release any and all information contained therein.

The undersigned further certifies that he/she has the authority to execute this certification.

Palladium Farmersville, Ltd.

Applicant Entity Name

By:

Signature of Authorized Representative

Thomas E. Huth

Printed Name

President, Managing Member of GP

Title

1-22-2018

Date

Sworn to and subscribed before me on the 22nd day of January, 2018

by Thomas E. Huth

(Personalized Seal)

JULIE MARTIN
MY COMMISSION EXPIRES
APRIL 9, 2018

Notary Public Signature

Julie Martin

Notary Public, State of

Texas

County of

Dallas

My Commission Expires:

April 9, 2018

Date
Tab 1b – Meeting Selection

Not Applicable
Tab 2 – Certification of Development Owner
The Certification, Acknowledgement, and Consent of Development Owner is included behind this tab.

**The form should be executed, notarized, and included in the full application document.**

The form for the certification will be posted to the Department's website at [http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm](http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm)

Please indicate whether any of the following required disclosure on the Certification, Acknowledgement, and Consent of Development Owner (to be used for data capture for application processing):

- §10.101(a)(2) - Undesirable Site Features
- §10.101(a)(3) - Undesirable Neighborhood Characteristics
- §10.202(1)(M) - Termination of Relationship in an Affordable Housing Transaction
- §10.901(17) - Unused Credit or Penalty Fee

Note: If any disclosures are indicated regarding §10.101(a)(3), submit the Undesirable Neighborhood Characteristics Report Packet (UNCR) located on the Department's website [http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm](http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm)
Development Owner Certification, Acknowledgement and Consent

All defined terms used in this certification and not specifically defined herein have the meanings ascribed to them in Chapter 2306 of the Tex. Gov’t Code, §42 of the Internal Revenue Code, and §10.3 of the Uniform Multifamily Rules.

The undersigned, in each and all of the following capacities in which it may serve or exist -- Applicant, Development Owner, Developer, Guarantor of any obligation of the Applicant, and/or Principal of the Applicant and hereafter referred to as “Applicant” or “Development Owner,” whether serving in one or more such capacities, is hereby submitting its Application to the Department for consideration of Department funding.

Applicant hereby represents, warrants, acknowledges and certifies to the Department and to the State of Texas that:

The Development will adhere to the Texas Property Code relating to security devices and other applicable requirements for residential tenancies, and will adhere to local building codes or, if no local building codes are in place, then to the most recent version of the International Building Code.

This Application and all materials submitted to the Department constitute records of the Department subject to Tex. Gov’t Code, Chapter 552. This includes all Third Party reports, which will be posted in their entirety on the Department’s website, as they constitute a part of the Application. The Application is in compliance with all requirements related to the eligibility of an Applicant, Application and Development as further defined in 10 TAC §§10.101 and 10.202 of the Uniform Multifamily Rules. Any issues of non-compliance have been disclosed.

All representations, undertakings and commitments made by Applicant in the Application process for Development assistance expressly constitute conditions to any Commitment, Determination Notice, Carryover Allocation, or Direct Loan Commitment for such Development which the Department may issue or award, and the violation of any such condition shall be sufficient cause for the cancellation and rescission of such Commitment, Determination Notice, Carryover Allocation, or Direct Loan Award Letter, Commitment or Contract by the Department. To the extent allowed under Tex. Gov’t Code §2306.6720, if any such representations, undertakings and commitments concern or relate to the ongoing features or operation of the Development, they shall each and all be enforceable even if not reflected in the Land Use Restriction Agreement. All such representations, undertakings and commitments are also
enforceable by the Department and the tenants of the Development, including enforcement by 
administrative penalties for failure to perform, in accordance with the Land Use Restriction 
Agreement.

When providing a Pre-Application, Application or other materials to a state representative, local 
governmental body, Neighborhood Organization, or anyone else to secure support or approval 
that may affect the Applicant’s competitive posture, an Applicant must disclose that in 
accordance with the Department’s rules the aspects of the Development may not have been 
determined or selected or may be subject to change, such as changes in the amenities 
ultimately selected and provided.

The Development Owner is and will remain in compliance with state and federal laws, including 
but not limited to, fair housing laws, including Chapter 301, Property Code, Title VIII of the Civil 
U.S.C. §§701 et seq.), Fair Housing Accessibility, the Texas Fair Housing Act; and the 
Development is designed consistent with the Fair Housing Act Design Manual produced by 
HUD, and the Texas Accessibility Standards. (§2306.257; §2306.6705(7))

The Development Owner has read and understands the Department’s fair housing educational 
materials posted on the Department’s website as of the beginning of the Application 
Acceptance Period.

All Applications proposing Rehabilitation (including Reconstruction) will be treated as 
substantial alteration, in accordance with 10 TAC Chapter 1, Subchapter B.

The Development Owner will establish a reserve account consistent with Tex. Gov’t Code 
§2306.186, and as further described in §10.404 of the Uniform Multifamily Rules, relating to 
Replacement Reserve Account requirements.

The Development will operate in accordance with the applicable compliance monitoring 
requirements found in Chapter 10, Subchapter F.

The Development Owner agrees to implement a plan to use Historically Underutilized 
Businesses (HUB) in the development process consistent with the Historically Underutilized 
Business Guidelines for contracting with the State of Texas. The Development Owner will be 
required to submit a report of the success of the plan as part of the cost certification 
documentation, in order to receive IRS Forms 8609 or, if the Development does not have 
Housing Tax Credits, release of retainage.
The Applicant will attempt to ensure that at least 30% of the construction and management businesses with which the Applicant contracts in connection with the Development are Minority Owned Businesses as further described in Tex. Gov’t Code §2306.6734.

The Development Owner will specifically market to veterans through direct marketing or contracts with veteran's organizations. The Development Owner will be required to identify how they will specifically market to veterans and report to the Department in the annual housing report on the results of the marketing efforts to veterans. Exceptions to this requirement must be approved by the Department.

**Accessibility Requirements**

The Development Owner understands that in accordance with Section 504 of the Rehabilitation Act of 1973 and implemented at 24 C.F.R. Part 8, if the Development includes the New Construction or substantial rehabilitation of multifamily units (4 or more units per building), at least five percent (5%) of all dwelling units will be designed and built to be accessible for persons with mobility impairments. A unit that is on an accessible route and is adaptable and otherwise compliant with the 2010 ADA Standards with the exceptions listed in “Nondiscrimination on the Basis of Disability in Federally Assisted Programs and Activities” (Federal Register 79 FR 29671) meets this requirement. In addition, at least two percent (2%) of all dwelling units will be designed and built to be accessible for persons with hearing or vision impairments.

The Development Owner understands that regardless of building type, all Units accessed by the ground floor or by elevator (“affected units”) must meet the requirements at 10 TAC §10.101(b)(8)(B).

The Development Owner certifies that all accessible Units under 10 TAC Chapter 1, Subchapter B, will be dispersed throughout the Development.

The Development Owner certifies that representations made in the Architect Certification are true and correct, and understands that the Department evaluation of architectural drawings may not include an assessment of accessibility. The Development Owner is responsible for any modifications necessary to meet accessibility requirements identified at the final construction inspection.
Unused Credit or Penalty Fee *(select one box as applicable)*

_____ The Applicant returned a full credit allocation after the Carryover Allocation deadline required for that allocation and is subject to the Unused Credit or Penalty Fee pursuant to §10.901(17) of the Uniform Multifamily Rules.

**X** The Applicant certifies that no disclosure regarding §10.901(17) of the Uniform Multifamily Rules is necessary.

Termination of Relationship in an Affordable Housing Transaction *(select one box as applicable)*

_____ The Applicant has disclosed, in the Application, any Principal or any entity or Person in the Development ownership structure who was or is involved as a Principal in any other affordable housing transaction that has terminated, voluntarily or involuntarily, within the past 10 years or plans to or is negotiating to terminate their relationship with any other affordable housing development. The disclosure identified the person or persons and development involved, the identity of each other development and contact information for the other Principals of each such development, a narrative description of the facts and circumstances of the termination or proposed termination, and any appropriate supporting documents. The Applicant has read and understands §10.202(1)(M) of the Uniform Multifamily Rules related to such disclosure.

**X** The Applicant certifies that no disclosure regarding §10.202(1)(M) of the Uniform Multifamily Rules is necessary.

The Applicant certifies that, for any Development proposing New Construction or Reconstruction and located within the one-hundred (100) year floodplain as identified by the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps, the Development Site will be developed in full compliance with the National Flood Protection Act and all applicable federal and state statutory and regulatory requirements so that all finished ground floor elevations are at least one foot above the floodplain and parking and drive areas are no lower than six inches below the floodplain, subject to more stringent local requirements. The Applicant certifies that, floodplain maps will be used and the Development Site will comply with regulations as they exist at the time of commencement of construction. Applicant further certifies that, for any Development proposing Rehabilitation (excluding Reconstruction) that is not a HUD or TRDO-USDA assisted property, the Development Site is not located in the one-hundred year floodplain unless the existing structures already meet the requirements for New Construction or Reconstruction, as certified to by a Third Party engineer, or unless the state or
local government has undertaken and can substantiate sufficient mitigation efforts and such documentation is submitted in the Application.

**Undesirable Site Features (select one of the boxes as applicable)**

- **X** The Development is not located in an area with undesirable site features as further described in §10.101(a)(2) of the Uniform Multifamily Rules.

- ___ The proposed Development is Rehabilitation (excluding Reconstruction) with ongoing and existing federal assistance from HUD, USDA, or Veterans Affairs (“VA”) and an exemption was requested prior to the filing of an Application or is being requested with the Application in accordance with §10.101(a)(2) of the Uniform Multifamily Rules.

- ___ The proposed Development is Historic Preservation pursuant to §11.9(e)(6) of the QAP, is located in an area with an undesirable site feature and an exemption was requested prior to the filing of an Application or is being requested with the Application.

- ___ The proposed Development is New Construction, is located in an area with an undesirable site feature and a copy of the local ordinance that regulates the proximity of such feature to a multifamily development is included in the Application.

- ___ The proposed Development is located in an area with an undesirable site feature and mitigation to be considered by staff and the Board is included in the Application.

**Undesirable Neighborhood Characteristics (select one of the main boxes as applicable)**

- **X** The Development Owner certifies that the Development is not located in an area with any of the undesirable neighborhood characteristics described in §10.101(a)(3) of the Uniform Multifamily Rules and that no disclosure is necessary;

- ___ The Development Owner certifies that the Development is located in an area with the following undesirable neighborhood characteristic(s) and the Undesirable Neighborhood Characteristics Report is submitted with the Application (select all that apply):

  - ___ in a census tract with a poverty rate above 40% for individuals (or 55% for Developments in regions 11 and 13);

  - ___ in a census tract or within 1,000 feet of any census tract in an Urban Area and the rate of Part I violent crimes is greater than 18 per 1,000 persons (annually) as reported on neighborhoodscout.com;
_____ is located within 1,000 feet of a blighted or abandoned area as further described in §10.101(a)(3)(B)(iii) of the Uniform Multifamily Rules;

_____ is located in the attendance zones of an elementary, middle, or high school that does not have a 2017 Met Standard rating by the Texas Education Agency, unless the Development Site is subject to an Elderly Limitation.

The Development will include all of the mandatory Development amenities required in §10.101(b)(4) of the Uniform Multifamily Rules at no charge to all tenants (market rate and low-income) and written notice of such amenities will be provided to the tenants.

The Development will satisfy the minimum point threshold for common amenities as further described in §10.101(b)(5) of the Uniform Multifamily Rules. These amenities must be for the benefit of all tenants (market rate and low-income), meet accessibility standards, be sized appropriately to serve the proposed Target Population, be made available throughout normal business hours, and be maintained throughout the Affordability Period. The tenant must be provided written notice of the amenity elections made by the Development Owner.

The Development will meet the minimum size of Units as further described §10.101(b)(6)(A) of the Uniform Multifamily Rules.

The Development (excluding competitive Housing Tax Credit Applications) will include enough unit and development construction features to meet the minimum number of points as further described in §10.101(b)(6)(B) of the Uniform Multifamily Rules.

The Development (excluding competitive Housing Tax Credit Applications) will include enough tenant services, at no charge to the tenants, be accessible to all (market rate and low-income), and maintained throughout the Affordability Period, to meet the required minimum number of points as further described in §10.101(b)(7) of the Uniform Multifamily Rules, and offered in accordance with §10.619 of the Uniform Multifamily Rules. The tenant must be provided written notice of the elections made by the Development Owner.

If the Applicant is applying for Multifamily Direct Loan funds and the Development consists of New Construction, the Applicant further certifies that the Development meets the Construction Site Standards in 24 C.F.R §983.57(e).

If the Development has an existing LURA with the Department, the Development Owner will comply with the existing restrictions.

The Development Owner will comply with any and all notices required by the Department.
None of the criteria in subparagraphs (A) – (M) of §10.202(1) of the Uniform Multifamily Rules, related to ineligible Applicants, applies to those identified on the organizational chart for the Applicant, Developer and Guarantor.

The individual whose name is subscribed hereto, in his or her individual capacity, on behalf of Applicant, and in all other related capacities described above, as applicable, expressly represents, warrants, and certifies that all information contained in this certification and in the Application, including any and all supplements, additions, clarifications, or other materials or information submitted to the Department in connection therewith as required or deemed necessary by the materials governing the multifamily funding programs are true and correct and the Applicant has undergone sufficient investigation to affirm the validity of the statements made. Further, the Applicant hereby expressly represents, warrants, acknowledges and certifies that the individual whose name is subscribed hereto has read and understands all the information contained in this form of the Application.

By signing this document, the undersigned, in their individual capacity, on behalf of Applicant, whether formed or to be formed, and in all other related capacities described above, is affirming under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification, and subject to criminal penalties as defined by Tex. Penal Code §§37.01 et seq., and subject to any and all other state or federal laws regarding the making of false statements to governmental bodies or the providing of false information in connection with the procurement of allocations or awards, that the Application and all materials relating thereto constitute government documents and that the Application and all materials relating thereto are true, correct, and complete in all material respects.
2018 Development Owner Certification, Acknowledgement and Consent

By:

________________________
Signature

________________________
Printed Name

Authorized Representative

Title

________________________
Date

THE STATE OF Texas

________________________
COUNTY OF Dallas

Before me, a notary public, on this day personally appeared Thomas E. Hueth, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 23rd day of January 2018

________________________
Notary Public Signature
Tab 3 – Applicant Eligibility Certification
§10.204(2) of the Uniform Multifamily Rules identifies situations in which an Application or Applicant may be ineligible for Department funding. Applicants must provide disclosure of all potential instances of ineligibility, along with evidence of appropriate corrective action taken and accepted by the Department or mitigating factors to be considered. Documentation should be attached behind this tab.
Applicant Eligibility Certification

All defined terms used in this certification and not specifically defined herein have the meanings ascribed to them in Chapter 2306 of the Tex. Gov’t Code, §42 of the Internal Revenue Code, and §10.3 of the Uniform Multifamily Rules.

The undersigned, in each and all of the following capacities in which it may serve or exist or be contemplated to bring a new entity into existence-- Applicant, Development Owner, Developer, Guarantor of any obligation of the Applicant, and/or Principal of the Applicant and hereafter referred to as “Applicant,” whether serving in one or more such capacities, is hereby submitting its Application to the Department for consideration of multifamily funding.

Applicant hereby represents, warrants, agrees, acknowledges and certifies to the Department and to the State of Texas that:

It has obtained all necessary consents and approvals, and conducted all necessary diligence to enable it to make these certifications and to perform any all agreements and to give all consents provided for or made herein.

All representations, undertakings and commitments made by Applicant in the Application process for a Development, whether with respect to Threshold Criteria, selection criteria or otherwise, expressly constitute conditions to any Commitment, Determination Notice, Carryover Allocation, or Direct Loan Commitment for such Development which the Department may issue or award, and the violation of any such condition shall be sufficient cause for the cancellation and rescission of such Commitment, Determination Notice, Carryover Allocation, or Direct Loan Commitment by the Department. To the extent allowed under §2306.6720 Tex. Gov’t Code, if any such representations, undertakings and commitments concern or relate to the ongoing features or operation of the Development, they shall each and all shall be enforceable even if not reflected in the Land Use Restriction Agreement. All such representations, undertakings and commitments are also enforceable by the Department and/or the tenants of the Development, including but not limited to enforcement by assessment of administrative penalties for failure to perform, in accordance with the Land Use Restriction Agreement, the entry of orders by the Department’s Governing Board requiring strict performance, or the obtaining of injunctive relief.

Neither Applicant nor any other member of the Development Team has been or is barred, suspended, or terminated from procurement in a state or Federal program or listed in HUD’s System for Award Management (SAM).

Neither Applicant nor any other member of the Development Team has been convicted of a
state or federal felony crime involving fraud, bribery, theft, misrepresentation of material fact, misappropriation of funds, or other similar criminal offenses within fifteen (15) years preceding the Application submission.

Neither Applicant nor any other member of the Development Team is, at the time of Application, subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; is subject to a federal tax lien; and/or is the subject of a proceeding in which a Governmental Entity has issued an order to impose penalties, suspend funding, or take adverse action based on an allegation of financial misconduct or uncured violation of material laws, rules, or other legal requirements governing activities considered relevant by the Governmental Entity.

Neither Applicant nor any other member of the Development Team has breached a contract with a public agency and failed to cure that breach within the timeframe provided or allowed by contract. If such breach is permitted to be cured under the contract, notice of the breach has been given and a reasonable opportunity to cure.

Neither Applicant nor any other member of the Development Team has misrepresented to a subcontractor the extent to which the Developer has benefited from contracts or financial assistance that has been awarded by a public agency, including the scope of the Developer's participation in contracts with the agency and the amount of financial assistance awarded to the Developer by the agency.

Neither Applicant nor any other member of the Development Team has been found by the Board to be ineligible based on a previous participation review performed in accordance with 10 TAC Chapter 1 Subchapter C.

Neither Applicant nor any other member of the Development Team is delinquent in any loan, fee, or escrow payments to the Department in accordance with the terms of the loan, as amended, or is otherwise in default with any provisions of such loans.

Neither Applicant nor any other member of the Development Team has failed to cure any past due fees owed to the Department within the timeframe provided by notice from the Department and at least ten (10) days prior to the Board meeting at which the decision for an award is to be made.

Neither Applicant nor any other member of the Development Team is in violation of a state revolving door or other standard of conduct or conflict of interest statute, including §2306.6733 of the Tex. Gov’t Code, or a provision of Chapter 572 of the Tex. Gov’t Code, that would prohibit the Person from participating in the Application in the manner and capacity they are participating.
Neither Applicant nor any other member of the Development Team has previous Contracts or Commitments that have been partially or fully de-obligated during the twelve (12) months prior to the submission of the Application and through the date of final allocation due to a failure to meet contractual obligations, and the Person is not on notice that such de-obligation results in ineligibility under 10 TAC Chapter 10.

Neither Applicant nor any other member of the Development Team has provided false or misleading documentation or made other intentional or negligent material misrepresentations or omissions in or in connection with an Application (and certifications contained therein), Commitment, or Determination Notice for a Development.

Neither Applicant nor any other member of the Development team has been the owner or Affiliate of the owner of a Department assisted rental development for which the federal affordability requirements were prematurely terminated and the affordability requirements have not re-affirmed or Department funds repaid.

Neither Applicant nor any other member of the Development Team has participated in the dissemination of misinformation about affordable housing and the persons it serves or about a competing Applicant that would likely have the effect of fomenting opposition to an Application where such opposition is not based on substantive and legitimate concerns that do not implicate potential violations of fair housing laws.

The Applicant will not violate §2306.1113 of the Tex. Gov’t Code relating to Ex Parte Communication and further explained in §10.202(2)(A) of the Uniform Multifamily Rules.

For any Development utilizing Housing Tax Credit or Tax-Exempt Bonds, at all times during the two-year period preceding the date the Application Round begins (or for Tax-Exempt Bond Developments any time during the two-year period preceding the date the Application is submitted to the Department), the Applicant or a Related Party is not or has not been a member of the Board or employed by the Department as the Executive Director, Chief of Staff, General Counsel, a Deputy Executive Director, the Director of Multifamily Finance, the Chief of Compliance, the Director of Real Estate Analysis, a manager over the program for which an Application has been submitted, or any person exercising such responsibilities regardless of job title; or in violation of §2306.6733 of the Tex. Gov’t Code.

For any Development utilizing Housing Tax Credits, the Applicant will not propose to replace in less than fifteen (15) years any private activity bond financing of the Development described by the Application, unless the exceptions in §2306.6703(a)(2) of the Tex. Gov’t Code are met.

All the instances in which any Principal or any entity or Person in the Development ownership structure who was or is involved as a Principal in any other affordable housing transaction, that
has terminated voluntarily or involuntarily within the past ten years or is negotiating to terminate their relationship with any other affordable housing development have been fully disclosed pursuant to §10.202(1)(M) of the Uniform Multifamily Rules. Applicant understands that failure to disclose is grounds for termination.

All housing developments with which Applicant, Development Owner, Developer, Guarantor and/or Principal thereof participating, are in compliance with: state and federal fair housing laws, including Chapter 301, Property Code, the Texas Fair Housing Act; Title VIII of the Civil Rights Act of 1968 (42 U.S.C. Section 3601 et seq.); and the Fair Housing Amendments Act of 1988 (42 U.S.C. Section 3601 et seq.); the Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.); the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.); and the Rehabilitation Act of 1973 (29 U.S.C. Section 701 et seq.).

The making of an allocation or award by the Department does not constitute a finding or determination that the Development is deemed qualified to receive such allocation or award. Applicant agrees that the Department or any of its directors, officers, employees, and agents will not be held responsible or liable for any representations made to the undersigned or its investors relating to the Housing Tax Credit Program; therefore, Applicant assumes the risk of all damages, losses, costs, and expenses related thereto and agrees to indemnify and hold harmless the Department and any of its officers, employees, and agents against any and all claims, suits, losses, damages, costs, and expenses of any kind and of any nature that the Department may hereinafter suffer, incur, or pay arising out of its decisions and actions concerning this Application for Housing Tax Credits or the use of information concerning the Housing Tax Credit Program.

Applicant, Development Owner, Developer, Guarantor or other Related Party is not subject to any pending criminal proceedings and if any such proceeding or any other charges which would invalidate the certifications are finally adjudicated or otherwise disposed of prior to Carryover, the Applicant will immediately notify the Department. Such notification must be presented to the Board for consideration at the next available Board meeting.

The individual whose name is subscribed hereto, in his or her individual capacity, on behalf of Applicant, and in all other related capacities described above, as applicable, expressly represents, warrants, and certifies that all information contained in this certification and in the Application, including any and all supplements, additions, clarifications, or other materials or information submitted to the Department in connection therewith as required or deemed necessary by the materials governing the multifamily funding programs are true and correct and the Applicant has undergone sufficient investigation to affirm the validity of the statements made. The Applicant agrees that the Department may, at its discretion, request additional information and/or documentation in its evaluation of this Application and is authorized but
not obligated under this document to conduct its own investigation regarding any information required requested and or provided in relation to the Application or the Development. Further, the Applicant hereby expressly represents, warrants, and certifies that the individual whose name is subscribed hereto has read and understands all the information contained in this form of the Application.

By signing this document, the undersigned, in their individual capacity, on behalf of Applicant, whether formed or to be formed, and in all other related capacities described above, is affirming under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2011) and subject to any and all other state or federal laws regarding the making of false statements to governmental bodies or the false statements or the providing of false information in connection with the procurement of allocations or awards that the Application and all materials relating thereto constitute government documents and that the Application and all materials relating thereto are true, correct, and complete in all material respects.
Before me, a notary public, on this day personally appeared

**Thomas E. Huth**, known to me to be the person whose name is
subscribed to the foregoing document and, being by me first duly sworn, declared and certified
that the statements therein contained are true and correct.

**GIVEN UNDER MY HAND AND SEAL OF OFFICE this 22nd day of January, 2018**

**JULIE MARTIN**

MY COMMISSION EXPIRES
APRIL 9, 2018

Notary Public Signature
By:  

[Signature]

Signature of Authorized Representative

Kim Schwimmer

Printed Name

Owner of Co-GP

Title

1/22/18

Date

THE STATE OF Texas §

COUNTY OF Dallas §

Before me, a notary public, on this day personally appeared Kim Schwimmer, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 22nd day of January, 2018

(Seal)

JULIE MARTIN

MY COMMISSION EXPIRES

APRIL 9, 2018

[Signature]

Notary Public Signature
James H. Bennett

Printed Name

Director, Palladium USA, Inc.

Title

1/22/18

Date

THE STATE OF Texas

COUNTY OF Dallas

Before me, a notary public, on this day personally appeared James H. Bennett, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 22nd day of January 2018

(Seal)

JULIE MARTIN
MY COMMISSION EXPIRES APRIL 9, 2018

Julie Martin

Notary Public Signature
Cesare Rancilio

Printed Name

Principal

Title

12-22-18

Date

THE STATE OF Texas

COUNTY OF Dallas

Before me, a notary public, on this day personally appeared Cesare Rancilio, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 22nd day of January 2018

(Seal)

JULIE MARTIN
MY COMMISSION EXPIRES APRIL 9, 2018

Notary Public Signature
2018 Applicant Eligibility Certification

By: ____________________________

Signature of Authorized Representative

Fiorenza Rancilio

Printed Name

Principal

Title

01 - 22 - 18

Date

THE STATE OF Texas

COUNTY OF Dallas

Before me, a notary public, on this day personally appeared Fiorenza Rancilio, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 22nd day of January, 2018

JULIE MARTIN
MY COMMISSION EXPIRES APRIL 9, 2018

Notary Public Signature
Tab 4 – Multifamily Direct Loan Certification
Multifamily Direct Loan Certification

**The form should be executed, notarized, and included in the full application document.**

The form for the certification will be posted to the Department's website at

http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm
Tab 5 – Contact Information
Provide the contact information for the Applicant and any staff responsible for Administrative Deficiencies and/or clarifications to the Application.

### 1. Applicant Contact Information

<table>
<thead>
<tr>
<th>Name</th>
<th>Phone: (972) 774-4400</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thomas Huth</td>
<td></td>
</tr>
<tr>
<td>Email:</td>
<td><a href="mailto:torn@palladiumusa.com">torn@palladiumusa.com</a></td>
</tr>
<tr>
<td>Mailing Address</td>
<td>13455 Noel Road, Suite 400</td>
</tr>
<tr>
<td>Street</td>
<td>Dallas</td>
</tr>
<tr>
<td>City</td>
<td>TX</td>
</tr>
<tr>
<td>State Zip</td>
<td>TX 75240</td>
</tr>
</tbody>
</table>

### 2. Second Contact

<table>
<thead>
<tr>
<th>Name</th>
<th>Phone: (972) 774-4435</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ryan Combs</td>
<td></td>
</tr>
<tr>
<td>Email:</td>
<td><a href="mailto:rcombs@palladiumusa.com">rcombs@palladiumusa.com</a></td>
</tr>
<tr>
<td>Office</td>
<td>(512) 983-0422</td>
</tr>
</tbody>
</table>

### 3. Consultant Contact (if applicable)

<table>
<thead>
<tr>
<th>Name</th>
<th>Phone:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Email:</td>
<td></td>
</tr>
<tr>
<td>Mailing Address</td>
<td></td>
</tr>
<tr>
<td>Street</td>
<td></td>
</tr>
<tr>
<td>City</td>
<td></td>
</tr>
<tr>
<td>State Zip</td>
<td></td>
</tr>
</tbody>
</table>
Tab 6 – Self-Score
## Competitive Housing Tax Credit Selection Self-Score

This form will self-populate based on scoring selections made throughout the Application. Applicant should refer to this form to ensure that scoring selections are accurate prior to submitting the Application. Corrections must be made in the applicable section(s) of the Application. Highlighted rows indicate scoring items for both 9% HTC and Direct Loan applications. Additional scoring for Direct Loan applications can be found at 10 TAC §13.6.

### Criteria Promoting Development of High Quality Housing

<table>
<thead>
<tr>
<th>Point Item Description</th>
<th>QAP Reference</th>
<th>Points Selected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit Sizes</td>
<td>§11.9(b)(1)(A)</td>
<td>8</td>
</tr>
<tr>
<td>Unit and Development Features</td>
<td>§11.9(b)(1)(B)</td>
<td>7</td>
</tr>
<tr>
<td>Sponsor Characteristics</td>
<td>§11.9(b)(2)</td>
<td>2</td>
</tr>
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</table>

**High Quality Housing Total**: 17

### Criteria to Serve and Support Texans Most In Need

<table>
<thead>
<tr>
<th>Point Item Description</th>
<th>QAP Reference</th>
<th>Points Selected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Levels of Tenants</td>
<td>§11.9(c)(1)</td>
<td>16</td>
</tr>
<tr>
<td>Rent Levels of Tenants</td>
<td>§11.9(c)(2)</td>
<td>11</td>
</tr>
<tr>
<td>Tenant Services</td>
<td>§11.9(c)(3)</td>
<td>10</td>
</tr>
<tr>
<td>Opportunity Index</td>
<td>§11.9(c)(4)</td>
<td>7</td>
</tr>
<tr>
<td>Underserved Area</td>
<td>§11.9(c)(5)</td>
<td>2</td>
</tr>
<tr>
<td>Tenant Populations with Special Needs</td>
<td>§11.9(c)(6)</td>
<td>2</td>
</tr>
<tr>
<td>Proximity to the Urban Core</td>
<td>§11.9(c)(7)</td>
<td>0</td>
</tr>
<tr>
<td>Readiness to Proceed in Disaster Impacted Counties</td>
<td>§11.9(c)(8)</td>
<td></td>
</tr>
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</table>

**Serve and Support Texans Most in Need Total**: 48

### Criteria Promoting Community Support and Engagement

<table>
<thead>
<tr>
<th>Point Item Description</th>
<th>QAP Reference</th>
<th>Points Selected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Government Support</td>
<td>§11.9(d)(1)</td>
<td></td>
</tr>
<tr>
<td>Commitment of Development Funding by Local Political Subdivision</td>
<td>§11.9(d)(2)</td>
<td>1</td>
</tr>
<tr>
<td>Declared Disaster Area</td>
<td>§11.9(d)(3)</td>
<td>10</td>
</tr>
<tr>
<td>Quantifiable Community Participation</td>
<td>§11.9(d)(4)</td>
<td></td>
</tr>
<tr>
<td>Community Support from State Representative</td>
<td>§11.9(d)(5)</td>
<td></td>
</tr>
<tr>
<td>Input from Community Organizations</td>
<td>§11.9(d)(6)</td>
<td></td>
</tr>
<tr>
<td>Concerted Revitalization Plan</td>
<td>§11.9(d)(7)</td>
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</table>

**Community Support and Engagement Total**: 11

### Criteria Promoting the Efficient Use of Limited Resources and Applicant Accountability

<table>
<thead>
<tr>
<th>Point Item Description</th>
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<tbody>
<tr>
<td>Financial Feasibility</td>
<td>§11.9(e)(1)</td>
<td>18</td>
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<tr>
<td>Cost of Development per Square Foot</td>
<td>§11.9(e)(2)</td>
<td>12</td>
</tr>
<tr>
<td>Pre-application Participation</td>
<td>§11.9(e)(3)</td>
<td>6</td>
</tr>
<tr>
<td>Leveraging of Private, State, and Federal Resources</td>
<td>§11.9(e)(4)</td>
<td>3</td>
</tr>
<tr>
<td>Extended Affordability</td>
<td>§11.9(e)(5)</td>
<td>2</td>
</tr>
<tr>
<td>Historic Preservation</td>
<td>§11.9(e)(6)</td>
<td>0</td>
</tr>
<tr>
<td>Right of First Refusal</td>
<td>§11.9(e)(7)</td>
<td>1</td>
</tr>
<tr>
<td>Funding Request Amount</td>
<td>§11.9(e)(8)</td>
<td>0</td>
</tr>
</tbody>
</table>

**Efficient Use of Limited Resources and Applicant Accountability Total**: 42

### Point Deductions

<table>
<thead>
<tr>
<th>QAP Reference</th>
<th>Points Selected</th>
</tr>
</thead>
<tbody>
<tr>
<td>§11.9(f)</td>
<td></td>
</tr>
</tbody>
</table>

**Total Application Self Score**: 118
Part 2 – Development Site
(Tabs 7-16)
Tab 7 – Site Information Form
Part I
Site Information Form Part I

1. Development Address (All Programs)

- **Address**: south side of W Audie Murphy Pkwy and west of 607
- **City**: Farmersville
- **Region**: 3
- **Zip**: 75442
- **County**: Collin
- **Rural/Urban**: Rural

2. Census Tract Information (All Programs)

- **Census Tract Number**: 48085031100
- **QCT?**: No
- **Median Household Income**: 63889.00
- **Quartile**: 2q
- **Poverty Rate**: 14.4

The poverty rate for the census tract is above 40% (55% for Regions 11 or 13), and the Undesirable Neighborhood Characteristics Report and required documentation has been submitted.

3. Resolutions (All Programs, if applicable) - §11.3

- **Twice the State Average Per Capita**: X
- **One Mile Three Year Rule**: X

X Twice the State Average Per Capita. The proposed Development is NOT located in a municipality or a county that has more than twice the state average of units per capita supported by Tax Credits or Private activity Bonds. (QAP §11.3(c))

X One Mile Three Year Rule. The proposed Development is located outside an MSA or in a county with a population of less than one million OR is NOT a New Construction or Adaptive Reuse development that will be located one mile or less from a new construction or terminated/withdrawn HTC or Bond development serving the same type of household. (QAP §11.3(d))

4. Zoning [§10.204(11)] and Flood Zone Designation [§10.101(a)(1)] (All Programs)

- **Development Site is appropriately zoned?**: No
- **Zoning Designation**: Highway Commercial
- **Flood Zone Designation**: Zone X
- **Entire Development Site is outside the 100 year floodplain**: Yes

5. School Rating [§2306.6710(a)]; [§10.101(a)(3)(B)(iv)] (All Programs)

- **School Name** | **Grades** | **Met Standard Rating?**
- **Tatum EL** | PK through X | 2015 | 2016 | 2017
- **Farmersville Intermediate** | 2 through 6 | Yes | Yes | Yes
- **Farmersville Junior High** | 6 through 9 | Yes | Yes | Yes
- **Farmersville High School** | 9 through 12 | Yes | Yes | Yes

Resident of the proposed development will attend:

- **School district has no attendance zones and the closest schools are listed**: 

The Development Site is located within the attendance zone of an elementary school, a middle school or a high school that does not have a 2017 Met Standard rating by the Texas Education Agency, and the Undesirable Neighborhood Characteristics Report and required documentation has been submitted.

If revised form submitted, date of submission: ___________________
Tab 8 – Supporting Documentation for the Site Information Form
Supporting Documentation for the Site Information Form Part I

- X Street Map with Site Drawn and Identified
- X Census Tract Map with Development Site Identified
  
  https://factfinder.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t

- n/a Twice the State Average of Units Per Capita
  
  Resolution

- n/a One Mile Three Year Resolution or evidence
  
  of other exception

- n/a Housing Tax Credit Units per Total Household
  
  Resolution

- X Evidence of Zoning and/or Evidence of Re-Zoning Process

- X Evidence of Flood Zone Designation

- X Educational Quality (all Applications)
  
  - X School Attendance Zone Map with Development labeled;
  
  - X 2017 TEA accountability information for each school;
  
  - n/a UNCR if a school in the attendance zone has not achieved Met Standard for three consecutive years and has failed by at least one point in the most recent year.

- n/a For Tax-Exempt Bond Applications the resolution of no objection to satisfy requirements of §10.204(4) of the Uniform Multifamily Rules is included

- n/a For Tax-Exempt Bond Applications the resolution of no objection to satisfy requirements of §10.204(4) of the Uniform Multifamily Rules is not included and will be provided under separate cover no later than 14 days prior to the Board meeting selected in Tab 1b
January 8, 2018

Palladium Farmersville, Ltd.
Attn: Ryan Combs
13455 Noel Road, Suite 400
Dallas, TX 75240

RE: Zoning Change Application – A 6.74 acre tract of land located on the south side of W Audie Murphy Pkwy and west of 607, City of Farmersville, Collin County, Texas (the “Property”)

Dear Mr. Combs:

The City of Farmersville understands that Palladium Farmersville, Ltd., the Applicant for rezoning for the 6.74+ acre tract of land listed above, is in the process of seeking appropriate zoning for your proposed 60-80 unit affordable multi-family housing development in Farmersville, Texas to be named Palladium Farmersville. We have received your initial rezoning application and your release letter agreeing to hold the City of Farmersville harmless in the event that the appropriate zoning is denied.

Thank you,

Ben White
City Manager
Accountability Rating

Met Standard

This campus is paired with FARMERSVILLE INT (043904102)

Performance Index Report

Performance Index Summary

Index | Points Earned | Maximum Points | Index Score
--- | --- | --- | ---
1 - Student Achievement | N/A | N/A | N/A
2 - Student Progress | N/A | N/A | N/A
3 - Closing Performance Gaps | N/A | N/A | N/A
4 - Postsecondary Readiness | N/A | N/A | N/A

System Safeguards

Number and Percentage of Indicators Met

<table>
<thead>
<tr>
<th></th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Rates</td>
<td>N/A</td>
</tr>
<tr>
<td>Participation Rates</td>
<td>N/A</td>
</tr>
<tr>
<td>Graduation Rates</td>
<td>N/A</td>
</tr>
<tr>
<td>Total</td>
<td>N/A</td>
</tr>
</tbody>
</table>

For further information about this report, please see the Performance Reporting website at https://rptsvr1.tea.texas.gov/perfreport/account/2017/index.html
Accountability Rating

Met Standard

Met Standards on
- Student Achievement
- Student Progress
- Closing Performance Gaps
- Postsecondary Readiness

Did Not Meet Standards on
- NONE

In 2017, to receive a Met Standard or Met Alternative Standard rating, districts and campuses must meet targets on three indexes: Index 1 or Index 2 and Index 3 and Index 4.

Performance Index Report

<table>
<thead>
<tr>
<th>Index</th>
<th>Points Earned</th>
<th>Maximum Points</th>
<th>Index Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - Student Achievement</td>
<td>777</td>
<td>966</td>
<td>80</td>
</tr>
<tr>
<td>2 - Student Progress</td>
<td>453</td>
<td>1,000</td>
<td>45</td>
</tr>
<tr>
<td>3 - Closing Performance Gaps</td>
<td>699</td>
<td>1,600</td>
<td>44</td>
</tr>
<tr>
<td>4 - Postsecondary Readiness</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Distinction Designation

- Academic Achievement in ELA/Reading
  - NO DISTINCTION EARNED
- Academic Achievement in Mathematics
  - NO DISTINCTION EARNED
- Academic Achievement in Science
  - DISTINCTION EARNED
- Academic Achievement in Social Studies
  - NOT ELIGIBLE
- Top 25 Percent Student Progress
  - NO DISTINCTION EARNED
- Top 25 Percent Closing Performance Gaps
  - NO DISTINCTION EARNED
- Postsecondary Readiness
  - DISTINCTION EARNED

Campus Demographics

- Campus Type: Elementary
- Campus Size: 482 Students
- Grade Span: 02 - 05
- Percent Economically Disadvantaged: 58.1
- Percent English Language Learners: 16.6
- Mobility Rate: 12.9
- Percent Served by Special Education: 9.3
- Percent Enrolled in an Early College High School Program: 0.0

System Safeguards

Number and Percentage of Indicators Met

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Percentage Met</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Rates</td>
<td>19 out of 20 = 95%</td>
</tr>
<tr>
<td>Participation Rates</td>
<td>12 out of 12 = 100%</td>
</tr>
<tr>
<td>Graduation Rates</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Total: 31 out of 32 = 97%

For further information about this report, please see the Performance Reporting website at https://rptsrv1.tea.texas.gov/perfreport/account/2017/index.html
FARMERSVILLE J H (043904041) - FARMERSVILLE ISD

Accountability Rating

Met Standard

Met Standards on
- Student Achievement
- Student Progress
- Closing Performance Gaps
- Postsecondary Readiness

Did Not Meet Standards on
- NONE

In 2017, to receive a Met Standard or Met Alternative Standard rating, districts and campuses must meet targets on three indexes: Index 1 or Index 2 and Index 3 and Index 4.

Performance Index Report

Index 1 - Student Achievement (Target Score=60)
Index 2 - Student Progress (Target Score=30)
Index 3 - Closing Performance Gaps (Target Score=26)
Index 4 - Postsecondary Readiness (Target Score=13)

Performance Index Summary

<table>
<thead>
<tr>
<th>Index</th>
<th>Points Earned</th>
<th>Maximum Points</th>
<th>Index Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - Student Achievement</td>
<td>919</td>
<td>1,044</td>
<td>88</td>
</tr>
<tr>
<td>2 - Student Progress</td>
<td>416</td>
<td>1,000</td>
<td>42</td>
</tr>
<tr>
<td>3 - Closing Performance Gaps</td>
<td>1,056</td>
<td>2,000</td>
<td>53</td>
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<td>4 - Postsecondary Readiness</td>
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<td></td>
</tr>
<tr>
<td>STAAR Score</td>
<td>55.0</td>
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<td></td>
</tr>
<tr>
<td>Graduation Rate Score</td>
<td>N/A</td>
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<td></td>
</tr>
<tr>
<td>Graduation Plan Score</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Postsecondary Component Score</td>
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</tr>
</tbody>
</table>

Distinction Designation

Academic Achievement in ELA/Reading
DISTINCTION EARNED

Academic Achievement in Mathematics
DISTINCTION EARNED

Academic Achievement in Science
DISTINCTION EARNED

Academic Achievement in Social Studies
DISTINCTION EARNED

Top 25 Percent Student Progress
DISTINCTION EARNED

Top 25 Percent Closing Performance Gaps
DISTINCTION EARNED

Postsecondary Readiness
DISTINCTION EARNED

Campus Demographics

Campus Type: Middle School
Campus Size: 376 Students
Grade Span: 06 - 08
Percent Economically Disadvantaged: 50.5
Percent English Language Learners: 6.4
Mobility Rate: 11.5
Percent Served by Special Education: 12.8

System Safeguards

Number and Percentage of Indicators Met

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Number Met</th>
<th>Percentage Met</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Rates</td>
<td>20 out of 22 = 91%</td>
<td></td>
</tr>
<tr>
<td>Participation Rates</td>
<td>10 out of 10 = 100%</td>
<td></td>
</tr>
<tr>
<td>Graduation Rates</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>30 out of 32 = 94%</td>
<td></td>
</tr>
</tbody>
</table>

For further information about this report, please see the Performance Reporting website at https://rptsrv1.tea.texas.gov/perfreport/account/2017/index.html
FARMERSVILLE H S (043904001) - FARMERSVILLE ISD

Accountability Rating
Met Standard

Met Standards on
- Student Achievement
- Student Progress
- Closing Performance Gaps
- Postsecondary Readiness

Did Not Meet Standards on
- NONE

In 2017, to receive a Met Standard or Met Alternative Standard rating, districts and campuses must meet targets on three indexes: Index 1 or Index 2 and Index 3 and Index 4.

Performance Index Report

Index 1: Student Achievement (Target Score=60)
- Points Earned: 550
- Maximum Points: 650
- Index Score: 85

Index 2: Student Progress (Target Score=17)
- Points Earned: 219
- Maximum Points: 600
- Index Score: 37

Index 3: Closing Performance Gaps (Target Score=30)
- Points Earned: 830
- Maximum Points: 1,600
- Index Score: 52

Index 4: Postsecondary Readiness (Target Score=60)
- STAAR Score: 18.0
- Graduation Rate Score: 24.4
- Graduation Plan Score: 22.2
- Postsecondary Component Score: 17.4
- Total: 82

Performance Index Summary

Distinction Designation

Academic Achievement in ELA/Reading
DISTINCTION EARNED

Academic Achievement in Mathematics
DISTINCTION EARNED

Academic Achievement in Science
DISTINCTION EARNED

Academic Achievement in Social Studies
DISTINCTION EARNED

Top 25 Percent Student Progress
DISTINCTION EARNED

Top 25 Percent Closing Performance Gaps
DISTINCTION EARNED

Postsecondary Readiness
DISTINCTION EARNED

Campus Demographics

- Campus Type: High School
- Grade Span: 09 - 12
- Campus Size: 478 Students
- Percent Economically Disadvantaged: 39.7
- Percent English Language Learners: 1.5
- Mobility Rate: 12.3
- Percent Served by Special Education: 9.0
- Percent Enrolled in an Early College High School Program: 0.0

System Safeguards

Number and Percentage of Indicators Met

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Met Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Rates</td>
<td>16 out of 17 = 94%</td>
</tr>
<tr>
<td>Participation Rates</td>
<td>9 out of 9 = 100%</td>
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<tr>
<td>Graduation Rates</td>
<td>3 out of 3 = 100%</td>
</tr>
<tr>
<td>Total</td>
<td>28 out of 29 = 97%</td>
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</table>

For further information about this report, please see the Performance Reporting website at https://rptsvr1.tea.texas.gov/perfreport/account/2017/index.html
Tab 9 – Site Information Part II
1. **§11.9(c)(4) - Opportunity Index (Competitive HTC and Direct Loan Applications Only)**

- Development Site is located entirely within a census tract that has a poverty rate that is less than 20% or that is less than the median poverty rate for the region, whichever is higher.
- The census tract has a median household income rate in the two highest quartiles within the region.
- The census tract has a median household income in the third quartile within the region, and is contiguous to a census tract in the first or second quartile without physical barriers such as highways or rivers between, and the Development Site is no more than 2 miles from the boundary between the census tracts. A map showing the Development Site, location of the border, scale showing distance, and other applicable evidence is included.
- Development is Rural or USDA and Development Site is within the required distance of eligible amenities and/or services, pursuant to §11.9(c)(4)(B)(i) of the QAP. A map showing the Development Site, scale showing radius, location of the amenities, and evidence that the amenity meets all requirements of the rule, as applicable, is included.
- Development is Rural or USDA and Development Site is located entirely within a census tract that has a poverty rate that is less than 20% or that is less than the median poverty rate for the region, whichever is higher.

<table>
<thead>
<tr>
<th>Contiguous Census Tract #</th>
<th>Contiguous Tract Quartile</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Development is Urban and Development Site is within the required radius of eligible amenities and/or services, pursuant to §11.9(c)(4)(B)(ii) of the QAP. A map showing the Development Site, scale showing radius, location of the amenities, and evidence that the amenity meets all requirements of the rule, as applicable, is included.

<table>
<thead>
<tr>
<th>full service grocery store (4 miles)</th>
<th>licensed center serving children (4 miles)</th>
</tr>
</thead>
<tbody>
<tr>
<td>public library (4 miles)</td>
<td></td>
</tr>
<tr>
<td>pharmacy (4 miles)</td>
<td></td>
</tr>
<tr>
<td>outdoor recreation facility available to public (3 miles)</td>
<td></td>
</tr>
<tr>
<td>community, civic or service organization (3 miles)</td>
<td></td>
</tr>
<tr>
<td>census tract with crime rate of ≤26 per 1k persons</td>
<td></td>
</tr>
</tbody>
</table>

- No members of the Applicant or Affiliates had an ownership position in a selected amenity or served on the board or staff of a nonprofit that owned or managed a selected amenity within the year preceding the Pre-Application Final Delivery Date.

**Application is seeking points for Opportunity Index.**

**Total Points Claimed:** 7

If necessary, provide a brief summary of how the Development Site is justifying the points selected:
2. **§11.9(c)(5) - Underserved Area (Competitive HTC and Direct Loan Applications Only)**

Applications may qualify for up to five (5) points for proposed Developments located in one of the following areas:

- Wholly or partially within a Colonia (Note: Not eligible if application qualifies for Opportunity Index points);
- Entirely within the boundaries of an Economically Distressed Area (Note: Not eligible if application qualifies for Opportunity Index points);
- Entirely within a census tract that does not have a Development that was awarded less than 30 years ago according to the Department’s property inventory tab of the Site Demographic Characteristics Report;
- Entirely within a census tract that does not have a Development that was awarded less than 15 years ago according to the Department’s property inventory tab of the Site Demographic Characteristics Report;
- Entirely within a census tract whose boundaries are wholly within an incorporated area and the census tract itself and all of its contiguous census tracts do not have a Development that was awarded less than 15 years ago according to the Department’s property inventory tab of the Site Demographic Characteristics Report. This item will apply in Places with a population of 150,000 or more, and will not apply in the At-Risk Set-Aside.

**Application is seeking points for Underserved Area.**

<table>
<thead>
<tr>
<th>Contiguous Census Tract #</th>
<th>Contiguous Census Tract #</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

**Total Points Claimed:** 2

3. **§11.9(c)(7) - Proximity to the Urban Core (Competitive HTC Applications Only)**

- Development Site is located in a Place with a population over 200,000 and is not in the At-Risk Set-Aside.
- OR
- Population of Place is 200,000-499,999 and Development is located w/in 2 miles of the main municipal government administration building.
- OR
- Population of Place is 500,000 or more and Development is located w/in 4 miles of the main municipal government administration building.

**Application is seeking points for Proximity to the Urban Core.**

<table>
<thead>
<tr>
<th>Contiguous Census Tract #</th>
<th>Contiguous Census Tract #</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total Points Claimed:** 0

4. **§11.9(d)(7) - Concerted Revitalization Plan (Competitive HTC Applications Only)**

| Region: | 3 Rural |

- Development is in an Urban Area.
- Application includes a copy of the plan or a link to the online plan and a description of where specific information required can be found in the plan.
- Plan is current at the time of Application and officially continues for a minimum of three years thereafter.
- Plan has been adopted by the municipality or county and resolution or certification is attached.
- Letter from appropriate local official, target area map, and supporting documentation are provided.
- Development is explicitly identified by the municipality or county as contributing more than any other to the concerted revitalization efforts of the municipality, county or distinct district; resolution stating such is provided.
- Evidence of sufficient, documented and committed funding to accomplish the plan’s purposes on its established timetable is provided.
- No points were claimed for Opportunity Index, but location would qualify for at least 4 points under §11.9(c)(4)(B):

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- A map showing the Development Site, scale showing radius, location of the amenities, and evidence that the amenity meets all requirements of the rule, as applicable, is included.
- No members of the Applicant or Affiliates had an ownership position in a selected amenity or served on the board or staff of a nonprofit that owned or managed a selected amenity within the year preceding the Pre-Application Final Delivery Date.

OR
Development is in a Rural Area.  

Development has been leased at 85% or more for the six months preceding Application by low income households (excluding unlivable units identified in CNA);

AND

Development was constructed 25 or more years prior to Application submission as either public housing or as affordable housing with support from USDA, HUD, HOME, or CDBG;

AND

Demolition and relocation of units has been determined locally to be necessary to comply with Affirmatively Furthering Fair Housing Rule or to create acceptable distance from Undesirable Neighborhood Characteristics.

Development is explicitly identified in a resolution by the municipality or county as contributing more than any other to the concerted revitalization efforts of the municipality or county; letter from Governing Body stating such is provided behind this tab.

No points were claimed for Opportunity Index, but location would qualify for at least 4 points under §11.9(c)(4)(B):

A map showing the Development Site, scale showing radius, location of the amenities, and evidence that the amenity meets all requirements of the rule, as applicable, is included behind this tab.

No members of the Applicant or Affiliates had an ownership position in a selected amenity or served on the board or staff of a nonprofit that owned or managed a selected amenity within the year preceding the Pre-Application Final Delivery Date.

Application is seeking points for Concerted Revitalization.  

Total Points Claimed: 0

5. §11.9(d)(3) - Declared Disaster Area Scoring (Competitive HTC Applications ONLY)

X Development is located in an area that qualifies as a Declared Disaster Area as defined in §11.9(d)(3).

Application is seeking points for Declared Disaster Area.  

Total Points Claimed: 10

6. §11.9(c)(8) - Readiness to Proceed in Disaster Impacted Counties (Competitive HTC Applications ONLY)

Application meets all of the following requirements:

Application is for a proposed Development located in a county declared by FEMA to be eligible for individual assistance within the year proceeding the Full Application Delivery Date.

Application includes evidence that the Applicant will close all financing on or before October 31, 2018.

Application includes evidence that the Applicant will fully execute the construction contract on or before October 31, 2018.

Application includes evidence that appropriate zoning will be in place at award.

Application includes a DETAILED narrative description of each piece of evidence provided and how that evidence proves that the Applicant will close all financing and fully execute the construction contract on or before October 31, 2018.

Application is seeking points for Readiness to Proceed.  

Total Points Claimed: 0
Tab 10 – Supporting Documentation from Site Information Part II
**Supporting Documentation for the Site Information Form Part II**

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunity Index (Competitive HTC and Direct Loan Only)</td>
<td>Map with Development Site boundaries indicated, relative to census tract boundaries</td>
</tr>
<tr>
<td></td>
<td>Map with Development Site boundaries indicated, relative to census tract boundaries; and contiguous census tract with evidence of no physical barriers between the tracts</td>
</tr>
<tr>
<td></td>
<td>Map(s) of Community Assets with Development, radius, and each asset labeled</td>
</tr>
<tr>
<td></td>
<td>Distances are measured from the nearest boundary of the Development Site to the nearest boundary of the property or easement containing the facility, unless otherwise noted. All measurements include ingress/egress and any easements</td>
</tr>
<tr>
<td></td>
<td>For each amenity, supporting documentation to evidence how the amenity meets each requirement for the amenity</td>
</tr>
<tr>
<td></td>
<td>Print-out from DFPS website confirming daycare licensed to serve relevant age groups</td>
</tr>
<tr>
<td></td>
<td>Crime rate information for census tract from Neighborhood Scout or local data source dated after October 1, 2017, including the computation used to determine the crime rate <a href="https://www.neighborhoodscout.com">https://www.neighborhoodscout.com</a></td>
</tr>
<tr>
<td></td>
<td>Print-out from THECB website confirming accreditation of university or community college</td>
</tr>
<tr>
<td></td>
<td><a href="http://www.txhighereddata.org/Interactive/Institutions.cfm">http://www.txhighereddata.org/Interactive/Institutions.cfm</a></td>
</tr>
<tr>
<td></td>
<td>Evidence of regular and recurring substantive services provided by community, civic or service organization, as applicable</td>
</tr>
<tr>
<td></td>
<td>Evidence amenity is operational or has started site work (for instance: website postings, newspaper ads, etc.); evidence of costs or membership fees, age restrictions, as applicable</td>
</tr>
<tr>
<td></td>
<td>Evidence of Underserved Area (Competitive HTC and Direct Loan Only)</td>
</tr>
<tr>
<td></td>
<td>For Colonia:</td>
</tr>
<tr>
<td></td>
<td>n/a Evidence from Attorney General of Colonia boundaries; <a href="https://www.texasattorneygeneral.gov/cpd/colonias">https://www.texasattorneygeneral.gov/cpd/colonias</a></td>
</tr>
<tr>
<td></td>
<td>n/a Letter from the appropriate local government official or other evidence that the colonia lacks infrastructure and the Development will enable the current dwellings to connect to such infrastructure; <a href="https://www.texasattorneygeneral.gov/cpd/colonias">and</a></td>
</tr>
<tr>
<td></td>
<td>n/a Map showing development site boundaries, relative to Colonia boundaries, and distance from Rio Grande river border. <a href="https://www.texasattorneygeneral.gov/cpd/colonias">and</a></td>
</tr>
<tr>
<td></td>
<td>For Economically Distressed Areas:</td>
</tr>
<tr>
<td></td>
<td>n/a A letter or correspondence from Texas Water Development Board indicating the boundaries of the EDA; <a href="http://www.twdb.texas.gov/financial/programs/EDAP/index.asp">and</a></td>
</tr>
<tr>
<td></td>
<td>n/a Map showing development site boundaries, relative to EDA boundaries. <a href="http://www.twdb.texas.gov/financial/programs/EDAP/index.asp">and</a></td>
</tr>
<tr>
<td></td>
<td>For other items:</td>
</tr>
<tr>
<td></td>
<td>Development must be awarded 2002 or earlier for 15-year threshold and 1987 or earlier for 30-year threshold. The Site Demographic Characteristics Report is posted on the Department’s website at <a href="http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm">http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm</a></td>
</tr>
<tr>
<td></td>
<td>Map with Development Site boundaries indicated, relative to census tract boundaries</td>
</tr>
<tr>
<td></td>
<td>Map with census tract boundaries indicated, relative to boundaries of incorporated area, if applicable</td>
</tr>
<tr>
<td></td>
<td>Map with all contiguous census tracts, if applicable</td>
</tr>
<tr>
<td></td>
<td>Proximity to Urban Core (Competitive HTC Only)</td>
</tr>
<tr>
<td></td>
<td>Map with the appropriate radius, City Hall location, and evidence of meetings regularly scheduled for City Council, City Commission, or similar governing body.</td>
</tr>
</tbody>
</table>
Concerted Revitalization Plan (Competitive HTC Only)

Urban:
- Copy of the plan, or link to electronic copy. Plan must document that 11.9(d)(7)(A)(i)-(V) are met.
- Map of target area(s) with location of Development Site clearly identified.
- Resolution adopting the Concerted Revitalization Plan or resolution of delegation and other documentation.
- Resolution identifying Development as contributing more than any other to revitalization effort.
- Letter from appropriate local official providing documentation of measurable improvements.
- Evidence of committed funding.
- For each amenity, supporting documentation to evidence that the amenity meets each Opportunity Index requirement for the amenity.

Rural:
- Current rent roll.
- Evidence Development constructed 25 or more years prior to application (1992 or earlier).
- Evidence Development is public housing or affordable housing supported by USDA, HUD, HOME or CDBG.
- Evidence demolition and relocation of units has been determined locally to be necessary to comply with Affirmatively Furthering Fair Housing Rule or to create acceptable distance from Undesirable Neighborhood Characteristics.
- Resolution from appropriate Governing Body describing concerted revitalization effort and identifying Development as contributing more than any other to such effort.
- For each amenity, supporting documentation to evidence that the amenity meets each Opportunity Index requirement for the amenity.

Declared Disaster Area:
- The county in which the Development Site is located is listed on the 2018 List of Declared Disaster Areas (no further documentation is required).
The List of Declared Disaster Areas is posted on the Department’s website at
http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm
- Applicant believes the county in which the Development Site is located was omitted from the list and should be listed. Application includes evidence that the Development Site is located in an area declared to be a disaster area under Tex. Gov’t Code §418.014 at the time of early Application submission (January 26, 2018), at the Full Application Delivery Date, or at any time within the two-year period preceding the Full Application Delivery Date (as of March 1, 2016).

Readiness to Proceed:
- The county in which the Development Site is located is listed on the 2018 List of Declared Disaster Areas eligible for points under 10 TAC §11.9(c)(8) (no further documentation is required).
- Evidence that the Applicant meets the requirements for Readiness to Proceed. Pursuant to 10 TAC 11.9(c)(8), the Application must include evidence that appropriate zoning will be in place at award (July 26, 2018).
- Application includes evidence that appropriate zoning will be in place at award.
- Further, the Application must include evidence that the Applicant will close all financing and fully execute the construction contract on or before the last business day of October 2018. Examples of the kinds of documentation that may be used to evidence those milestones are listed below. Applicants may select any of these items, or use the “Other” selections to describe the evidence presented.
- Each piece of evidence provided must be accompanied by a detailed narrative describing how that piece of evidence will allow the Applicant to meet the requirements. If evidence is not included behind this tab, use the space to describe where in the Application the evidence can be found. Evidence may include, but is not limited to:
- Loan or equity commitments with evidence of completed due diligence.
- Confirmation from lender that non-refundable application and/or due diligence fee has been paid to lender and/or equity provider.
About Us

Library Hours

Monday: Closed
Tuesday: 8:30 am - 6:00 pm
Wednesday: 8:30 am - 4:30 pm
Thursday: 8:30 am - 6:00 pm
Friday: 8:30 am - 4:30 pm
Saturday: 9:00 am - 2:00 pm
Sunday: Closed

Holiday Closures:

04-14-17 - Good Friday (Friday)
04-15-17 - Easter Weekend (Saturday)
07-04-17 - Independence Day (Tuesday)
09-02-17 - Labor Day weekend (Saturday)
11-11-17 - Veterans Day (Saturday)
11-22-17 - Thanksgiving employee lunch, closing at noon (Wednesday)
11-23-17 - Thanksgiving holiday (Thursday)
11-24-17 - Thanksgiving holiday (Friday)
11-25-17 - Thanksgiving holiday (Saturday)
12-21-17 - Christmas employee lunch, closing at noon (Thursday)
12-22-17 - Christmas holiday (Friday)
12-23-17 - Christmas holiday (Saturday)
12-26-17 - Christmas holiday (Tuesday)

Location

Charles J. Rike Memorial Library
203 Orange Street
Farmersville, TX 75442
Contact Info

phone: 972-782-6681
fax: 972-782-7608

library@farmersvilletx.com

Library Staff

Trisha Dowell, Library Director
t.dowell@farmersvilletx.com

Bonnie Hegler, Library Assistant
b.hegler@farmersvilletx.com

Audrey Rubadue, Library Assistant
a.rubadue@farmersvilletx.com
Upcoming Sermons

<table>
<thead>
<tr>
<th>Date</th>
<th>Preacher</th>
<th>Sermon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 28</td>
<td>Bart Barber</td>
<td>Ninevah, Nahum, and Nazareth (Nahum 1:1-3:19)</td>
</tr>
</tbody>
</table>

First Baptist Church of Farmersville, TX

Affiliated with the Southern Baptist Convention

- Home
- Our Staff
- Belonging
- Visiting
- Resources
- Ministries
  - Upward Sports
- Member Login
About FBC Farmersville

Get to know First Baptist Church of Farmersville

We are CHANGED BY THE GOSPEL. We believe that every person in the world has sinned. When I sinned, it changed my relationship with God and my inward nature. It changed my relationship with God because a verdict of guilt came upon me and I stood condemned. It changed my inward nature because sin is like an addiction. Sinning makes me a sinner—a person whose nature is inclined toward sin.

Jesus died on the cross, was buried, and rose again in order to open a door to escape the effects of sin. By way of the gospel of Jesus Christ we can be pardoned for our sin. By way of the gospel of Jesus Christ we can be changed from a sinner to a saint in terms of what we do, say, think, and feel.

We are a BIBLE-BASED CHURCH. We believe that the Bible is true without any mixture of error. We seek to derive our theology, ethics, structure, and worship patterns from the Bible. When our culture asks difficult questions, we try to respond with biblical answers.

We are TELLING PEOPLE ABOUT JESUS AND INVITING THEM TO FOLLOW HIM. Our church is involved in evangelism and missionary work throughout the world by way of our partnership with other Southern Baptist churches. We have been involved directly—going ourselves, beyond our giving and our praying—in local work; throughout Texas; in places in the United States, including Utah, Montana, and Chicago; and international destinations like Senegal, Guatemala, Cuba, China, Thailand, Ecuador, Haiti, and Great Britain.

Our church SERVES OTHERS. Our partnership with Farmersville churches through City on a Hill Ministries provides food, clothing, and bill-payment services to our needy neighbors. Through individual church members who participate in SBC Disaster Relief and through our church’s mission trips we have responded to Hurricanes Katrina, Ike, Rita, and Harvey; Superstorm Sandy; tornadoes in multiple states; and tsunamies in the Western Pacific.
Upcoming Sermons

<table>
<thead>
<tr>
<th>Date</th>
<th>Sermon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb 4</td>
<td>Preacher: Bart Barber</td>
</tr>
<tr>
<td></td>
<td>The Word, the Light, the Life</td>
</tr>
<tr>
<td></td>
<td><em>(John 1:1-5)</em></td>
</tr>
</tbody>
</table>

Wednesday Menus

<table>
<thead>
<tr>
<th>Date</th>
<th>Menu</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 17</td>
<td>Denise Hendley</td>
</tr>
<tr>
<td></td>
<td>Soft Tacos</td>
</tr>
<tr>
<td></td>
<td>Corn</td>
</tr>
<tr>
<td></td>
<td>Chips</td>
</tr>
<tr>
<td></td>
<td>Queso</td>
</tr>
<tr>
<td></td>
<td>Banana Pudding</td>
</tr>
</tbody>
</table>

This Week's Events

**Thursday**
- 6:00 PM Dazzling Darlins Practice
- Lady Mystics Practice
- 6:30 PM Wildcats Practice
- 7:30 PM Hornets Practice

**Friday**
- 6:00 PM Lady Stangs @ Lady Mystics
- 7:00 PM Pacers @ Hornets

**Saturday**
- 8:30 AM Li'l Bears @ Li'l Wolves
- Li'l Kangaroos @ Li'l Lions
- 10:30 AM Hawkeyes @ Spartans

**Sunday**
- Senegal Mission Trip
- 8:30 AM Early Morning Worship / Senegal Report
- 9:45 AM Sunday School
- 11:00 AM Morning Worship / Senegal Report

**Monday**
- Senegal Mission Trip
- MLK Day
- 4:30 PM Lady Sparks Practice
- 6:00 PM Li'l Bears Practice
- Li'l Kangaroos Practice
- Li'l Lions Practice
- Li'l Wolves Practice
### This Week's Events

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>7:00 PM</td>
<td>Huskies Practice</td>
</tr>
<tr>
<td></td>
<td>Trail Life Committee Meeting</td>
</tr>
<tr>
<td><strong>Tuesday</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Senegal Mission Trip</td>
</tr>
<tr>
<td>6:00 PM</td>
<td>Hawkeyes Practice</td>
</tr>
<tr>
<td>7:00 PM</td>
<td>Spartans Practice</td>
</tr>
<tr>
<td><strong>Wednesday</strong></td>
<td></td>
</tr>
<tr>
<td>5:00 PM</td>
<td>Family Fellowship Meal</td>
</tr>
<tr>
<td>6:00 PM</td>
<td>AWANA Crazy Hat Night</td>
</tr>
<tr>
<td></td>
<td>HAVOC</td>
</tr>
<tr>
<td></td>
<td>Midweek Bible Study</td>
</tr>
<tr>
<td>6:30 PM</td>
<td>Choir Practice</td>
</tr>
<tr>
<td><strong>Thursday</strong></td>
<td></td>
</tr>
<tr>
<td>10:00 AM</td>
<td>Ball Club Meeting</td>
</tr>
<tr>
<td>6:00 PM</td>
<td>Dazzling Darlins Practice</td>
</tr>
<tr>
<td></td>
<td>Lady Mystics Practice</td>
</tr>
<tr>
<td>6:30 PM</td>
<td>Wildcats Practice</td>
</tr>
<tr>
<td>7:30 PM</td>
<td>Hornets Practice</td>
</tr>
<tr>
<td><strong>Friday</strong></td>
<td></td>
</tr>
<tr>
<td>6:00 PM</td>
<td>Lady Mystics @ Lady Sky (FBCM)</td>
</tr>
<tr>
<td></td>
<td>Wizards @ Hornets</td>
</tr>
</tbody>
</table>

### Upcoming Events

#### January

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>Li'l Bears @ Li'l Wolves</td>
</tr>
<tr>
<td></td>
<td>Li'l Kangaroos @ Li'l Lions</td>
</tr>
<tr>
<td></td>
<td>Hawkeyes @ Spartans</td>
</tr>
<tr>
<td>14</td>
<td>Early Morning Worship / Senegal Report</td>
</tr>
<tr>
<td></td>
<td>Morning Worship / Senegal Report</td>
</tr>
<tr>
<td>14-24</td>
<td>Senegal Mission Trip</td>
</tr>
<tr>
<td>15</td>
<td>MLK Day</td>
</tr>
<tr>
<td></td>
<td>Trail Life Committee Meeting</td>
</tr>
<tr>
<td>17</td>
<td>AWANA Crazy Hat Night</td>
</tr>
<tr>
<td>18</td>
<td>Ball Club Meeting</td>
</tr>
<tr>
<td>20</td>
<td>Li'l Lions @ Li'l Wolves</td>
</tr>
<tr>
<td></td>
<td>Li'l Bears @ Li'l Kangaroos</td>
</tr>
<tr>
<td></td>
<td>Spartans @ Hawkeyes</td>
</tr>
<tr>
<td>21</td>
<td>Men's Breakfast</td>
</tr>
<tr>
<td></td>
<td>Business Meeting</td>
</tr>
<tr>
<td></td>
<td>Youth SNAC</td>
</tr>
<tr>
<td>27</td>
<td>Li'l Bears @ Li'l Lions</td>
</tr>
<tr>
<td></td>
<td>Li'l Kangaroos @ Li'l Wolves</td>
</tr>
<tr>
<td></td>
<td>Hawkeyes @ Spartans</td>
</tr>
<tr>
<td></td>
<td>Youth Whirlyball</td>
</tr>
<tr>
<td>28</td>
<td>A/V Apprenticeship Day</td>
</tr>
<tr>
<td></td>
<td>A/V Apprenticeship Day</td>
</tr>
<tr>
<td></td>
<td>Chili Cookoff &amp; Cross Training Kickoff</td>
</tr>
<tr>
<td>29</td>
<td>Staff In-Service Training Day</td>
</tr>
<tr>
<td></td>
<td>Trail Life USA</td>
</tr>
<tr>
<td></td>
<td>American Heritage Girls</td>
</tr>
</tbody>
</table>

#### February

### February
### Upcoming Events

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Details</th>
</tr>
</thead>
</table>
| 3     | Li'l Wolves @ Li'l Bears  
|       | Li'l Lions @ Li'l Kangaroos  
|       | Spartans @ Hawkeyes  
| 4     | A/V Apprenticeship Day  
| 10    | Li'l Lions @ Li'l Wolves  
|       | Li'l Kangaroos @ Li'l Bears  
|       | Youth/Senior Adult Valentine Banquet  
|       | Hawkeyes @ Spartans  
| 11    | Deacons Meeting  
|       | Love One Another Service  
| 12    | Trail Life USA  
|       | American Heritage Girls  
| 14    | Valentine's Day  
| 15    | Ball Club Meeting  
| 16-19 | Men's Mission Trip  
| 17    | Youth Paintball  
|       | Li'l Bears @ Li'l Lions  
|       | Li'l Wolves @ Li'l Kangaroos  
|       | Spartans @ Hawkeyes  
| 18    | Business Meeting  
|       | Youth SNAC  
| 19    | President's Day  
|       | Trail Life Committee Meeting  
| 23-24 | Youth Disciple Now Weekend  
| 24    | Li'l Bears @ Li'l Wolves  
|       | Li'l Kangaroos @ Li'l Lions  
|       | Hawkeyes @ Spartans  
| 25    | Men's Breakfast  
|       | Early Morning Worship / Trail Life USA  
|       | Sunday  
|       | Morning Worship / Trail Life USA  
|       | Sunday  
|       | Pastors Forum: Disciplining Children  
| 26    | Trail Life USA  
|       | American Heritage Girls  

### PASTORS FORUM

God's Wisdom for Disciplining Children

Sunday Night  
February 25  
7:00 PM
First Baptist Church of Farmersville
124 S. Washington St.
Farmersville, TX 75442
(972) 782-8428
FARMERSVILLE, TX CRIME

TOTAL CRIME INDEX

- **55**
  - (100 is safest)
  - Safer than 55% of U.S. neighborhoods.

NEIGHBORHOOD ANNUAL CRIMES

<table>
<thead>
<tr>
<th></th>
<th>VIOLENT</th>
<th>PROPERTY</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Crimes</td>
<td>7</td>
<td>71</td>
<td>78</td>
</tr>
<tr>
<td>Crime Rate (per 1,000 residents)</td>
<td>2.03</td>
<td>20.60</td>
<td>22.63</td>
</tr>
</tbody>
</table>

VIOLENT CRIME INDEX

- **58**
  - (100 is safest)
  - Safer than 58% of U.S. neighborhoods.

VIOLENT CRIME INDEX BY TYPE

<table>
<thead>
<tr>
<th></th>
<th>MURDER INDEX</th>
<th>RAPE INDEX</th>
<th>ROBBERY INDEX</th>
<th>ASSAULT INDEX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Index</td>
<td>100</td>
<td>52</td>
<td>100</td>
<td>48</td>
</tr>
<tr>
<td>100 is safest</td>
<td>100 is safest</td>
<td>100 is safest</td>
<td>100 is safest</td>
<td>100 is safest</td>
</tr>
</tbody>
</table>

VIOLENT CRIME COMPARISON (PER 1,000 RESIDENTS)

MY CHANCES OF BECOMING A VICTIM OF A VIOLENT CRIME

- 1 IN 492 in Farmersville
- 1 IN 243 in Texas
FARMERSVILLE VIOLENT CRIMES

POPULATION: 3,447

<table>
<thead>
<tr>
<th></th>
<th>MURDER</th>
<th>RAPE</th>
<th>ROBBERY</th>
<th>ASSAULT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report Total</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>Rate per 1,000</td>
<td>0.00</td>
<td>0.29</td>
<td>0.00</td>
<td>1.74</td>
</tr>
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</table>

UNITED STATES VIOLENT CRIMES

POPULATION: 321,418,820

<table>
<thead>
<tr>
<th></th>
<th>MURDER</th>
<th>RAPE</th>
<th>ROBBERY</th>
<th>ASSAULT</th>
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</thead>
<tbody>
<tr>
<td>Report Total</td>
<td>15,696</td>
<td>124,047</td>
<td>327,374</td>
<td>764,449</td>
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<td>Rate per 1,000</td>
<td>0.05</td>
<td>0.39</td>
<td>1.02</td>
<td>2.38</td>
</tr>
</tbody>
</table>

PROPERTY CRIME INDEX

52
(100 is safest)

Safer than 52% of U.S. neighborhoods.

PROPERTY CRIME INDEX BY TYPE

<table>
<thead>
<tr>
<th></th>
<th>BURGLARY INDEX</th>
<th>THEFT INDEX</th>
<th>MOTOR VEHICLE THEFT</th>
</tr>
</thead>
<tbody>
<tr>
<td>100 is safest</td>
<td>18</td>
<td>66</td>
<td>91</td>
</tr>
</tbody>
</table>

PROPERTY CRIME COMPARISON (PER 1,000 RESIDENTS)

1 IN 49
in Farmersville

1 IN 35
in Texas
## FARMERSVILLE PROPERTY CRIMES

**POPULATION: 3,447**

<table>
<thead>
<tr>
<th></th>
<th>BURGLARY</th>
<th>THEFT</th>
<th>MOTOR VEHICLE THEFT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report Total</td>
<td>30</td>
<td>38</td>
<td>3</td>
</tr>
<tr>
<td>Rate per 1,000</td>
<td>8.70</td>
<td>11.02</td>
<td>0.87</td>
</tr>
</tbody>
</table>

## UNITED STATES PROPERTY CRIMES

**POPULATION: 321,418,820**

<table>
<thead>
<tr>
<th></th>
<th>BURGLARY</th>
<th>THEFT</th>
<th>MOTOR VEHICLE THEFT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report Total</td>
<td>1,579,527</td>
<td>5,706,346</td>
<td>707,758</td>
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<tr>
<td>Rate per 1,000</td>
<td>4.91</td>
<td>17.75</td>
<td>2.20</td>
</tr>
</tbody>
</table>
Child Care Search Result Details

Operation Details
You may click on the question mark image (?) to view the Frequently Asked Questions (FAQ) page.

Operation Number: 839635
Operation Type: Licensed Center
Program Provided: Child Care Program
Operation/Caregiver Name: Little Farmers Learning Center
Location Address: 1391 BUSINESS 78
FARMERSVILLE, TX 75442
Mailing Address: 1391 BUSINESS 78
FARMERSVILLE, TX 75442
Phone Number: 972-782-8118
County: COLLIN
Website Address:
Email Address: littlefarmerslclp@yahoo.com
Administrator/Director Name: Cynthia Erwin
Type of Issuance: Full Permit
Issuance Date: 7/14/2004
Conditions on Permit: No
Accepts Child-Care Subsidies: Yes
Hours of Operation: 06:00 AM-06:00 PM
Days of Operation: Monday - Friday
Total Capacity: 192
Licensed to Serve Ages: Infant, Toddler, Pre-Kindergarten, School
Number Of Admin Penalties: 0
Corrective Action: No
Adverse Action: No
Temporarily Closed: No

Two Year Inspection Summary
- Inspectors routinely monitor compliance with Licensing standards, rules and law. At a minimum, licensed and certified operations are inspected at least once a year; Registered Child Care Homes ? are inspected at least once every two years, Listed Family Homes ? are inspected only if there is a report of abuse/neglect or if we
receive a report that the home is caring for too many children.

- When operations have serious deficiencies or a significant number of deficiencies, repeat deficiencies, or fail to make corrections timely, they are inspected more frequently by licensing staff, to ensure the health and safety of children in care.

- In the last two years, Licensing conducted the following:

  - 2 - Inspections
  - 0 - Assessments
  - 0 - Self Reported Incidents
  - 0 - Reports

  Click on the inspection type to see additional details related to each inspection.

- There are many standards that an operation must comply with; the total number varies for each type of operation. An operation or home is generally given an opportunity to correct deficiencies and has the right to request a review of a deficiency. Deficiencies pending review are not included in the two year history.

Two Year Compliance Summary

- During the last two years, 1129 standards were evaluated for compliance at this operation.

- Of the standards evaluated 0 deficiencies were cited.

  Click on the number of deficiencies to see additional details.

- Each standard is assigned a weight. The weight ensures all inspectors consider standard violations in the same way, and represents the potential impact a deficiency might have on children. Review the inspection reports to learn more about each citation. It's important to remember; weights are not assigned to an individual operation, inspection, or circumstance and are not intended to result in a ranking of operations or score.

- The weights of the standard deficiencies cited in the past two years are as follows:

  0 were weighted as **High**
  0 were weighted as **Medium - High**
  0 were weighted as **Medium**
  0 were weighted as **Medium - Low**
  0 were weighted as **Low**

  Click on the weight to see additional details about each deficiency.

Disclaimer: The online compliance history includes only information after January 1, 2002. In addition, the online compliance history does not include minimum standard violations or corrective or adverse actions until after the child-care operation has had due process or waived its rights. For compliance history prior to January 1, 2002 or history with pending due process, please contact your local licensing office. Child-Care Licensing disclaims liability for any errors or omissions from the compliance history information.

Website and Email addresses are based on information given to DFPS by the Operation/Caregiver. If you experience problems with these addresses please contact the Operation/Caregiver.
This is the only property that shows up on the inventory in Farmersville and it is older than 15 years old.
<table>
<thead>
<tr>
<th>Counties Expiring January 26, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible under §11.9(d)(3) of the 2018 QAP</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bailey</th>
<th>Deaf Smith</th>
<th>Hockley</th>
<th>Navarro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Castro</td>
<td>Dickens</td>
<td>Hopkins</td>
<td>Parmer</td>
</tr>
<tr>
<td>Childress</td>
<td>Ellis</td>
<td>Kaufman</td>
<td>Red River</td>
</tr>
<tr>
<td>Cochran</td>
<td>Franklin</td>
<td>Kent</td>
<td>Rockwall</td>
</tr>
<tr>
<td><strong>Collin</strong></td>
<td>Hall</td>
<td>King</td>
<td>Terry</td>
</tr>
<tr>
<td>Dallas</td>
<td>Hardeman</td>
<td>Lamb</td>
<td>Titus</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Wichita</td>
</tr>
</tbody>
</table>
Tab 11 – Site Information Form

Part III
1. **Site Acreage**

Please identify site acreage as listed in each of the following exhibits/documents.

<table>
<thead>
<tr>
<th>Site Control</th>
<th>Site Plan</th>
<th>Appraisal</th>
<th>ESA</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.742</td>
<td>6.742</td>
<td></td>
<td>6.742</td>
</tr>
</tbody>
</table>

(*) Should equal acreage indicated in site control documents less acreage intended to be dedicated, sold or used for public purpose and not to be encumbered by LURA (net acreage). The net acreage will be used for calculating density for all purposes.

Please provide an explanation of any discrepancies in site acreage below:

[A description of any reductions except as a result of dedication of land for roadways, easements or other changes that may occur during development may help the Applicant avoid future amendments.]

2. **Site Control - §10.204(10)**

The current owner of the Development Site is (If scattered site & more than one owner refer to Tab 13):

**Ill to I Farmersville MP, LP**

<table>
<thead>
<tr>
<th>Entity Name</th>
<th>Contact Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>6900 North Dallas Parkway, Suite 625</td>
<td>Scott Steenson</td>
</tr>
</tbody>
</table>

**Address**

<table>
<thead>
<tr>
<th>City</th>
<th>State</th>
<th>Zip</th>
<th>Date of Last Sale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plano</td>
<td>TX</td>
<td>75024</td>
<td>12/21/2006</td>
</tr>
</tbody>
</table>

Is the seller affiliated with the Applicant, Principal, sponsor, or any Development Team member? Yes

If "Yes," please explain: __________________________________________________________

Did the seller acquire the property through foreclosure or deed in lieu of foreclosure? No

Identify all of the sellers of the proposed property for the 36 months prior to the first day of the Application Acceptance Period and their relationship, if any, to members of the Development Team:

<table>
<thead>
<tr>
<th>Name</th>
<th>Relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Site Control is in the form of:

- [X] Contract for sale.
- [ ] Recorded Warranty Deed with corresponding executed closing/settlement statement.
- [ ] Contract for lease.
- [X] Title Commitment or Title Policy is included behind this tab (per §10.204(12)).

Expiration of Contract or Option: 10/31/2018  
Anticipated Closing Date: 10/31/2018

3. **Site Control - §10.204(10)**

**Ingress/Egress and Easements (9% and 4% HTC Only) - §11.7**

Is land for ingress and/or egress and any easements held separate from the property described in the site control documents? No

If yes, describe how any such land is held. Identify the land owner and describe any agreements the Applicant has or will enter into with the land owner.
4. **30% increase in Eligible Basis "Boost" (9% and 4% HTC Only) - §11.4(c)**

Development qualifies for the boost for:

- Qualified Census tract that has less than 20% HTC Units per household
- Development is located in a Small Area Difficult Development Area (SADDA)
- Rural Development *(Competitive HTC only)*
- Development is entirely Supportive Housing *(Competitive HTC Only)*
- Development meets the criteria for the Opportunity Index as identified in §11.9(c)(4) of the Qualified Allocation Plan *(Competitive HTC only)*
- Development is in an area covered by a concerted revitalization plan and elects and is eligible for points under §11.9(d)(7), is not Elderly, and is not located in a QCT. *(Competitive HTC only)*
- Development includes an additional 10% of units at 30% AMI. *Must be in addition to the number of units needed for any scoring item or any other funding source from MF Direct Loan requirements.* *(Competitive HTC only)*
- Development is in a QCT with 20% or greater Housing Tax Credit Units per household, and a resolution from the Governing Body of the appropriate municipality or county allowing the construction of the Development is included behind Tab 8**

** Resolution not due until Resolutions Delivery Date for Tax-Exempt Bond Developments

*If a revised form is submitted, date of submission: ____________________________*
Tab 12 – Supporting Documentation from Site Information Form Part III
### Support Documentation from Site Information Part III Should be Included Behind this Tab.

<table>
<thead>
<tr>
<th>X</th>
<th>Site Control Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>Title Commitment or Policy</td>
</tr>
<tr>
<td>n/a</td>
<td>Each of the Direct Loan exhibits identified below (as applicable)</td>
</tr>
</tbody>
</table>

#### Increase in Eligible Basis (30% Boost)

- [ ] Resolution from the Governing Body of the appropriate municipality or county allowing the construction of the Development, if applicable.
- [ ] Census tract map that includes the 11-digit census tract number and clearly shows that the proposed Development is located within a QCT, if applicable.
- [ ] SADDA map clearly showing the Development is located within the boundaries of a SADDA, if applicable.

#### Site & Neighborhood Standards (New Construction Direct Loan only)

Confirm the following supporting documents are provided behind this tab.

- [ ] Letters on company letterhead from local utility providers confirming the site has access to the following services: water and wastewater/sewer, electricity, garbage disposal and natural gas, if applicable.
- [ ] Statement explaining how the Development will promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons.
- [ ] DP-1 Profile of General Demographic Characteristics (2010) Census data for the census tract and city (and county if proposed site is located in a rural area) where the proposed site will be located. DP-1 Census data can be accessed using the Advanced Search option at [www.census.gov](http://www.census.gov).
- [ ] A statement confirming that travel time and cost via public transportation or private automobile, from the neighborhood to places of employment providing a range of jobs for lower-income workers, is not excessive. This is not applicable for Developments proposing to serve Elderly.
Tab 12 – Site Control
FIRST AMENDMENT TO CONTRACT OF SALE

THIS FIRST AMENDMENT TO CONTRACT OF SALE ("First Amendment") is made and entered into effective as of the 12 day of January, 2018 (the "Effective Date") by and between III TO I FARMERSVILLE MP, LP, ("Seller") and PALLADIUM USA INTERNATIONAL, INC., or its permitted assigns ("Buyer").

Whereas, Buyer and Seller entered into that certain Contract of Sale dated on or about December 19, 2017, (the "Original Contract") for the purchase of approximately 6.74 acres of land in the City of Farmersville, Collin County, Texas described as the "Land" in the Original Contract; and

Whereas, the Buyer and Seller have agreed to modify the legal description of the Land as set forth in the Original Contract;

For and in consideration of the mutual covenants and agreements contained in this Amendment to the Original Contract, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller agree to modify the Original Contract as follows:

1. **PURCHASE AND SALE:** The definition of "Property" as set forth in the Original Contract, is herein amended to be as follows:

   The "Land" is SIX AND 742/1000 (6.742) acres in size and is situated in the City of Farmersville, Collin County, Texas, more particularly described by legal description on Exhibit A attached hereto and made a part hereof. This legal description shall be substituted for the legal description contained in the Original Contract.

2. All other terms and provisions of the Original Contract which have not been amended by this First Amendment shall remain in full force and effect. This First Amendment may be executed in multiple counterparts, and facsimile signatures shall be deemed originals for all purposes.
IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the day and year first above written.

SELLER:

III TO I FARMERSVILLE MP, LP, a Texas Limited Partnership

By: III:I Property Management, L.L.C., a Texas limited liability company, its Manager

Name: Scott R. Steensn
Title: Manager

Name: Darrell W. Cain
Title: Manager

BUYER:

Palladium USA International, Inc.

By: ________________________
Name: Thomas E. Huth
Title: President and CEO

TITLE COMPANY:

Chicago Title Insurance Company

By: ________________________

First Amendment to Farmersville Land Contract
EXHIBIT "A"

Legal Description

[see attached]
CONTRACT OF SALE

THIS CONTRACT OF SALE (this "Contract") is made effective as of the 19th day of December, 2017 (the "Effective Date") by and between III TO I FARMERSVILLE MP, LP, a Texas limited partnership ("Seller") and PALLADIUM USA INTERNATIONAL, INC. ("Buyer").

For and in consideration of the mutual covenants and agreements contained in this Contract and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller agree as follows:

1. PURCHASE AND SALE: Seller agrees to sell and convey to Buyer, and Buyer agrees to buy from Seller, the Property (hereinafter defined) for the consideration and upon and subject to the terms, provisions and conditions hereinafter set forth. The "Property" means:

   The land is approximately Six and 74/100 (6.74) acres in size and is situated in the City of Farmersville, Collin County, Texas, more particularly highlighted on Exhibit A attached hereto and made a part hereof (the "Land"), together with (i) any structures, buildings and improvements situated on the Land (such buildings, structures and improvements being herein collectively called the "Improvements"), (ii) any and all rights, titles, privileges, easements, licenses, rights-of-way and interests appurtenant to the Land and the Improvements, (iii) all rights, titles, privileges, licenses, easements, rights-of-way and interests, if any, of Seller, either at law or in equity, in possession or in expectancy, in and to any real estate lying in the streets, highways, roads, alleys, rights-of-way or sidewalks, open or proposed, in front of, above, over, under, through or adjoining the Land and in and to any strips, gores or tracts of real estate adjoining the Land; (iv) all rights, titles, privileges, interests, licenses, easements and rights-of-way appurtenant or incident to any of the foregoing; and (v) (1) all development rights for the Property, or any part thereof, which Seller has, including, without limitation, those relating to utilities, prepaid water and sewer connection fees, reservation fees and impact fees, (2) all right, title and interest of Seller in any approved site plans, development plans, development orders, or development agreements as they relate to the Property, (3) all environmental, water, sewer, drainage, road, excavation, fill and all other construction and development applications, permits, licenses, and rights, contractual or otherwise, relating to the Property, (4) all rights and interests of Seller under any agreements, with any governmental authorities having jurisdiction over the Property relating to flood control, drainage, roads, water or sewer facilities or other infrastructure, construction and development for the Property, and (5) any and all right, title and interest of Seller in any environmental and/or wetlands mitigation relating to the Property provided, however, Seller shall reserve unto itself, its successors and/or assigns any and all oil, gas and other mineral interests of whatever nature, producing or nonproducing, underlying the Land, including, but not limited to, rights of Seller under any and all production or mineral leases covering the Land, but excluding any sand, gravel, lignite, iron ore, uranium, limestone or other minerals or substances the extraction of which depletes or disturbs the surface of the Land (collectively, the "Mineral Interests"), it being expressly acknowledged and accepted that the Mineral Interests shall not be a part of the Land; further, Seller shall expressly release and
waive, as evidenced in the Special Warranty Deed (to be delivered at Closing), on behalf of Seller and its respective successors, assigns and legal representatives, all rights of ingress and egress and all other rights of every kind and character whatsoever to enter upon or to use or otherwise disturb the surface of the Land, including the taking of any action which by its nature will or is likely to cause subsidence to the surface of the Property or any part thereof for the extraction of any such minerals (the "Surface Waiver"). Notwithstanding the foregoing Surface Waiver by Seller, nothing contained herein or the Special Warranty Deed shall restrict or prohibit subterranean underground directional drilling activities under the Property that begin upon and are conducted from the surface of real property other than the Property, provided that such drilling activities at all times are at least 600 feet below the surface of the Property and so as to not unreasonably interfere with or disturb in any manner the present or future use to which Buyer or Buyer's successors and assigns may desire to devote to such Property.

2. CONTRACT SALES PRICE AND EARNEST MONEY:

(a) CONTRACT SALES PRICE: The total purchase price for the Property (the "Sales Price") shall SEVEN HUNDRED THIRTY-THREE THOUSAND NINE HUNDRED EIGHTY-SIX AND 00/100 DOLLARS ($733,986.00), payable in cash at Closing. The actual Sales Price shall be adjusted based upon the number of gross square feet as shown in the survey based on $2.50 per gross square foot. Payment in cash shall mean by cashier's check, certified funds drawn on a national banking association or by wire transfer of immediately available federal funds (the foregoing types of funds are hereinafter referred to as "Immediately Available Funds").

(b) EARNEST MONEY: Within three (3) business days following the Effective Date, Buyer shall deliver to Chicago Title Insurance Company, 14755 Preston Road, Suite 600, Dallas, Texas 75254, Attention: Becky Brusilow, telephone number 972-419-4710; Fax 972-419-4725; Email: rbrusilow@coatsrose.com (the "Title Company"), as escrow agent, Twenty Thousand and No/100 Dollars ($20,000.00) as earnest money (together with all interest accrued thereon, the "Earnest Money Deposit") with $10,000.00 of this Earnest Money Deposit being non-refundable as of March 2, 2018, provided this Contract has not sooner been terminated, with such amount applied to the Sales Price at Closing. Provided this Contract has not sooner been terminated, the remaining $10,000.00 of the Earnest Money Deposit shall be non-refundable as of April 30, 2018. At or prior to the expiration of the Feasibility Period, Buyer shall deposit an additional Twenty-Five Thousand and No/100 Dollars ($25,000.00) as "Additional Earnest Money". All deposits shall be deemed "Earnest Money Deposit", shall be applicable to the Sales Price at Closing, and if Buyer does not timely deliver the Earnest Money Deposit as provided in this Section 2, Buyer shall be deemed to have terminated this Contract pursuant to Section 5 and any portion of the Earnest Money Deposit received by the Title Company shall be returned, subject to the terms contained herein, to Buyer, and neither party shall have any further rights or obligations hereunder, except for any provisions which survive the termination hereof. The Earnest Money Deposit shall be deposited and held by the Title Company in a federally insured account. In the event the transaction is not closed, the Earnest Money Deposit shall be disbursed in accordance with the provisions of this Contract.
3. **CLOSING:**

(a) The closing of the sale of the Property to Buyer (the “Closing”) shall take place at the Title Company pursuant to an escrow closing on or before October 31, 2018 (the “Closing Date”) provided, however, that Buyer may elect to close at any time prior thereto upon ten (10) day’s written notice to Seller. Buyer shall have the right to extend the date of Closing for three (3) additional periods of sixty (60) days each by giving written notice to Seller together with the payment of Twenty-Five Thousand ($25,000.00) to Seller for each said 60 day extension, which amount shall be non-refundable (except in the event of Seller's Default hereunder (which remains uncured beyond any applicable notice and cure period) and subject to meeting all of the Closing Conditions set forth in Paragraph 4 below), but shall be applicable to the Sales Price at Closing. At Closing, if applicable, Seller shall grant a non-exclusive access and utility easement over Seller’s adjacent property. Buyer will be responsible for constructing and maintaining the improvements within the easement, if any, at Buyer’s expense.

(b) At the Closing, Seller shall deliver to Buyer, at Seller’s sole cost and expense, the following:

1. duly executed and acknowledged Special Warranty Deed (the “Deed”) conveying good and indefeasible title in fee simple to the Land and Improvements, free and clear of any and all liens, encumbrances, easements and assessments, except for Permitted Exceptions (hereinafter defined) and any others approved by Buyer during the Feasibility Period in writing;

2. if there is any FF&E to be transferred to Buyer, a Bill of Sale (the “Bill of Sale”), transferring to Buyer the FF&E;

3. evidence of Seller’s capacity and authority for the closing of the transaction contemplated herein, including evidence of authority of the person or persons executing such documents on behalf of Seller;

4. possession of the Property, subject only to the Permitted Exceptions;

5. a duly executed non-foreign affidavit as permitted by Section 1445 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder; and

6. such other documents (including a closing statement) as may be reasonably required to close this transaction, duly executed.
(c) At the Closing, Buyer shall perform and deliver, at Buyer’s sole cost and expense, the following:

1. the Sales Price in Immediately Available Funds (reduced by the amount, if any, of the Earnest Money Deposit applied for that purpose);
2. evidence of its capacity and authority for the closing of the transaction contemplated herein; and
3. such other documents (including a closing statement) as may be reasonably required to close this transaction.

(d) Seller shall pay: the base premium for the Owner’s Title Policy based upon the Sale Price (other than the premium for any increased valued based upon construction funds or loans of Buyer, the survey exception modification or any other endorsements or updates which, if requested by Buyer, shall be at Buyer’s sole cost and expense); Seller’s attorneys’ fees, recording fees for the release of any deed of trust lien of Seller; costs to obtain any estoppel certificates from applicable owner’s associations (if any), and other expenses typically paid by the Seller in commercial transactions of this type in Collin County, Texas, including one-half of any escrow fees. Buyer shall pay: costs of the Survey (as defined in Section 6(a) below); the premium to modify the survey exception in the Owner’s Title Policy, if requested by Buyer; any other title endorsements requested by Buyer; any changes to the base premium resulting from any increased value above the Sale Price; recording fees to record the Deed and recording of any easement agreement required by Buyer; Buyer’s attorneys’ fees; recording fees, sales or use taxes, recording costs for any financing documentation Buyer may obtain from a third party, and other expenses stipulated to be paid by Buyer under other provisions of this Contract, including one-half of any escrow fees. All other costs and expenses associated with the transaction contemplated hereby shall be allocated in accordance with customary practices in Collin County, Texas.

(e) Assessments and current taxes shall be prorated as of the Closing Date. If ad valorem taxes for the year in which the sale is closed are not available on the Closing Date, a preliminary proration of taxes shall be made on the basis of taxes assessed in the previous year, and such tax proration shall be adjusted upon issuance of the final tax bill for the year in which the Closing Date occurs. The foregoing agreement to adjust such tax proration shall survive the Closing for a period of ninety (90) days from the Closing Date. In the event the Property is not separately assessed by the taxing authorities as of the Closing Date, and the Property is part of a larger tract of land owned by Seller, the tax proration shall be calculated on a proportionate basis being the percentage that the acreage of the Property bears to total of Seller’s land from which the Property is being conveyed. In making the prorations required by this Section 3, the economic burdens and benefits of ownership of the Property for the Closing Date shall be allocated to Buyer.

(f) If Seller changes the use of the Property before Closing or if a denial of a special valuation on the Property claimed by Seller results in the assessment of additional taxes, penalties, or interest (assessments) for periods before Closing, the assessments will be the
obligation of Seller. If this sale or Buyer's use of the Property after Closing results in additional assessments for periods before Closing, the assessments will be the obligation of Seller. This paragraph survives closing.

(g) Common area maintenance charges and assessments and other customarily prorated expenses to the extent paid for by Seller or required to be paid for by Seller for a period after Closing, shall be prorated as of the Closing Date. Other expenses relating to the Property up to the Closing Date and all periods prior thereto including those required by any contract or agreement for any services to the Property and those incurred or ordered by Seller which are not to be transferred and assumed by Buyer, including but not limited to insurance and administrative expenses, shall be paid for by Seller, and Buyer shall not be liable therefor. Seller shall not assign to Buyer, and Buyer shall not be entitled to, any deposits held by any utility company or other company servicing the Property; but rather such deposits shall be returned to Seller and Buyer shall arrange and bear all responsibility to arrange with all utility companies to have accounts styled in Buyer's name beginning on the Closing Date. The provisions of this Section 3(g) shall survive the Closing.

4. CLOSING CONDITIONS: Seller and Buyer acknowledge and agree that the obligation of Buyer to consummate the transaction contemplated hereby is also subject to the satisfaction of the following conditions (the "Closing Conditions"):  

(a) All the representations and warranties of Seller set forth in this Contract shall be true and correct as of the date hereof and on the Closing Date.

(b) At Closing, the Title Company be ready, willing and able to issue to Buyer, at Seller's expense (other than the premium for any increased valued based upon construction funds or loans of Buyer, the survey exception modification or any other endorsements, which, if requested by Buyer, shall be at Buyer's sole cost and expense), an Owner's Policy of Title Insurance (the "Owner's Title Policy") to be issued by the Title Company in the full amount of the Sales Price, dated as of the Closing Date, insuring Buyer's fee simple title to the Land and in regard to Schedule B of such policy reflecting the Property's condition of title as subject only to the Permitted Exceptions and the standard exceptions promulgated under Texas law and otherwise containing no exceptions or limitations for matters set forth on Schedule C of the Commitment.

If any of the Closing Conditions are not satisfied by Closing, and Seller fails to cure such condition within ten (10) days after written notice from Buyer (other than delivery of the Special Warranty Deed at Closing), then, Buyer shall have the right, as its sole and exclusive remedy, to terminate this Contract upon delivering written notice to Seller within five (5) days after expiration of Seller's cure period, in which event the Earnest Money Deposit, less both the Independent Contract Consideration and the non-refundable portion retained by Seller, shall be returned to Buyer and all further obligations of the parties hereunder shall terminate, except those that expressly survive termination hereof.

5. FEASIBILITY PERIOD:
(a) Buyer, at Buyer’s expense, shall conduct such engineering studies of the Property, physical inspections of the Property and studies including structural engineering, economic feasibility and related matters that Buyer deems necessary, including studies and inspections to determine the existence of any environmental hazards or conditions (collectively, the “Feasibility Study”) during the period (the “Feasibility Period”) commencing on the Effective Date of this Contract and ending at 5:00 p.m., Farmersville, Texas time on August 15, 2018 for Buyer’s intended development of the Property which is construction of multifamily housing (the Project). Buyer or its designated agents may enter upon the Property during normal business hours (8 a.m. to 6 p.m., Monday through Friday) during the Feasibility Period, for purposes of analysis or other tests and inspections which may be deemed necessary by Buyer for the Feasibility Study. Buyer shall indemnify Seller for any actual direct losses incurred by Seller in connection with any property damage or personal injury claims arising out of such inspections and testing by Buyer on the Property, except for (i) any such losses which are caused by the negligence or misconduct of Seller, and (ii) any diminution in value of the Property as a result of any findings of Buyer during its Feasibility Study. Buyer shall not conduct any physically destructive or invasive studies or tests to the Property without Seller's prior written consent, which consent will not be unreasonably withheld. In the event Buyer does not deliver to Seller the items contained in Exhibit B within 30 days of the prescribed timeframes pursuant to Exhibit B, Seller may terminate this contract and the Earnest Money Deposit shall be disbursed in accordance with the provisions of this Contract.

(b) If Buyer determines for any reason whatsoever, in its sole discretion, at any time prior to the expiration of the Feasibility Period that the Property is not satisfactory to Buyer, then Buyer may terminate this Contract by written notice to Seller within the Feasibility Period given in accordance with Section 18(a) hereof, in which event the refundable portion of the Earnest Money Deposit, if any, shall be returned to Buyer by the Title Company, and thereafter neither party shall have any rights or liabilities hereunder, except for such matters contained herein that expressly survive the termination of this Contract. If Buyer does not indicate its disapproval of the Property by written notice given to Seller within the Feasibility Period, the conditions of this Section 5 shall be deemed to have been satisfied, and Buyer may not thereafter terminate this Contract pursuant to this Section 5, except by reason of Seller’s default and subject to meeting all of the Closing Conditions set forth above.

(c) The Feasibility Study conducted by Buyer shall be at Buyer’s expense. Buyer shall promptly restore the Property and the FF&E (if any) to its condition prior to Buyer’s entry thereon if damaged or changed due to the tests and inspections performed by Buyer, free of any mechanic’s or materialman’s liens or other encumbrances arising out of any of the inspections or tests.

(d) If Buyer does not elect to terminate this Contract during the Feasibility Period, the entire Earnest Money Deposit shall be non-refundable to Buyer except by reason of Seller’s default (which remains uncured beyond any applicable cure period); provided, if Buyer terminates this Contract pursuant to the express provisions of Section 11 following a default by Seller (which remains uncured beyond any applicable cure period) described in Section 11 or if this Contract is terminated pursuant to Section 4 or Section 15 hereof, Title Company shall promptly refund the Earnest Money Deposit less the non-refundable portion to Buyer.
6. **TITLE AND SURVEY APPROVAL:**

(a) Buyer shall receive from the Title Company: a Commitment for Title Insurance from the Title Company with legible copies of all recorded instruments affecting the Property and recited as exceptions in said Commitment for Title Insurance (the “Commitment”). Seller shall furnish a copy of an existing survey of the Property within fifteen (15) days after the Effective Date of this Contract, if any. Buyer shall furnish, at Buyer’s expense, on or prior to February 28, 2018, a current, on the ground survey, which survey shall be subject to the reasonable approval of Seller as it relates to the size and location of the Property’s boundary lines (the “Survey”), and once approved shall be substituted as Exhibit A to this Contract. The Survey shall be prepared by a Texas licensed engineer or surveyor acceptable to Buyer, which shall: (1) include a legal description of the Property by metes and bounds (which shall include a reference to the recorded plat, if any), and a computation of the area comprising the Property in both acres (to the nearest one-thousandth of said measurement) and gross square feet; (2) accurately show the location on the Property of any improvements, building and set-back lines, fences, evidence of alleys, streets including the full width of any intersections within 50 feet, roads, rights-of-way, easements, abandoned fences, ponds, creeks, streams, rivers, officially designated 500-year and 100-year flood plains and flood prone areas, canals, ditches, easements, roads, rights-of-way and encroachments; and (3) contain a certificate in a form reasonably acceptable to Buyer verifying to, among other parties, the Buyer and the Title Company that the Survey was made on the ground, that the is correct, that there are no visible discrepancies, conflicts, encroachments on adjoining premises, overlapping of improvements, violation of building or setback lines, fences, evidence of abandoned fences, ponds, creeks, streams, rivers, officially designated 500-year flood plains or flood prone areas, 100 year flood plain, canals, ditches, easements, roads or rights-of-way (except as are clearly shown and described on the survey plat), and that the computation of the area of the Property shown is correct, and otherwise comply with the current Texas Society of Professional Surveyors Standards and Specifications for a Category I A, Condition II survey. Any and all recorded matters shown on said Survey shall be legibly identified by appropriate volume and page recording references and the Survey shall show the location of all adjoining streets.

(b) Buyer shall have until twenty (20) business days prior to the expiration of the Feasibility Period to examine the Commitment, documents affecting title, and the Survey (the “Title Review Period”) and to specify to Seller in writing those items to which Buyer will accept title to the Property and those matters which Buyer finds objectionable (“Exceptions”). If Buyer does not deliver to Seller on or before the expiration of the Title Review Period a written notice specifying the Exceptions, then all of the items reflected on the Commitment and the Survey shall be considered to be Permitted Exceptions. If Buyer objects to any Exceptions on or before the expiration of the Title Review Period, Seller may, but shall have no obligation to, cure or remove any or all of the Exceptions, except as otherwise provided herein. If Seller fails to cause the Exceptions to be removed or cured to Buyer’s reasonable satisfaction on or before the Closing Date or if Seller notifies Buyer of its decision not to cure or remove some or all of the Exceptions on or before the Feasibility Period, Buyer’s sole remedy shall be to:

1. terminate this Contract by giving Seller written notice thereof, which notice must be given on or prior to the expiration of the
Feasibility Period and in which event the entire Earnest Money Deposit less the non-refundable portion shall be immediately delivered by the Title Company to Buyer; or

(2) elect to purchase the Property subject to the Permitted Exceptions and all Exceptions not removed or cured by Seller, in which event the Exceptions not removed or cured shall be deemed to be Permitted Exceptions and the Sales Price shall not be reduced.

Notwithstanding the foregoing, Seller shall remove or cure Non-Permitted Liens (as defined in Section 11 hereof). The phrase “Permitted Exceptions” shall mean those exceptions to title set forth in the Commitment or Survey approved or deemed approved by Buyer. Buyer shall not be obligated to object to any Schedule C Items of the Commitment, it being understood that all such items must be satisfied by Seller such that they do not appear as a Schedule B exception to the Owner’s Title Policy at Closing.

(c) After the effective date of this Contract, Seller shall not place on the Property any lien, encumbrance or other exception other than the Permitted Exceptions. If, (i) as a result of Seller’s actions or inactions, any lien, encumbrance or other matter other than the Permitted Exceptions is placed on the Property after the Effective Date of this Contract and prior to the Closing Date, or (ii) a title exception is disclosed by the Title Company which was not shown in the Commitment or Survey before the expiration of the Title Review Period such that Buyer had an opportunity to object thereto, then Buyer may following five (5) days written notice to Seller to give Seller an opportunity to cure and if such matter is not cured, then (x) terminate this Contract by written notice to Seller, in which event the refundable portion of the Earnest Money Deposit, if any, shall be refunded to Buyer, and neither party shall have any further rights or obligations hereunder except for the obligations of the parties which expressly survive the termination of this Contract, or (y) proceed to Closing without any reduction in the Sales Price and, in the case of any matter described in clause (i) of this sentence, require Seller to provide evidence, as approved by Title Company, of the removal of the lien, encumbrance or other matter from the Title Policy, or to otherwise cure or remove the lien, encumbrance or other matter. In this regard Buyer shall cause the Title Company to issue to Buyer, on or before October 15, 2018, an updated Commitment reflecting condition of title of the Property as of a date not earlier than October 1, 2018.

(d) If the Property is part of a larger parcel of real property from which the Property is being divided, then Seller shall grant at Closing any utility easements deemed necessary by Buyer to serve the Property. The provisions of this Section 6(d) shall survive closing for a period of one (1) year.

7. INTENTIONALLY DELETED.

8. PROPERTY INFORMATION: Seller agrees that to the extent Seller has any of the items set forth on Schedule I attached hereto (collectively “Property Information”), true, correct and complete copies of such Property Information shall be provided to Buyer no later than ten (10) business days following the Effective Date of this Contract.
9. **FIXTURES, EQUIPMENT AND OTHER PERSONAL PROPERTY:** All risk of loss for the FF&E (if any) shall remain with Seller until the Closing Date, and Buyer shall have no liability therefore save and except damage caused by Buyer's negligence or willful misconduct.

10. **LIMITATION OF SELLER'S REPRESENTATIONS AND WARRANTIES:** Buyer acknowledges and agrees that, except as otherwise expressly stated herein, Seller has not made, and Seller hereby specifically disclaims any warranty, guaranty or representation, oral or written, past, present or future, of, as to, or concerning (i) the nature and condition of the property, including, without limitation, the water, soil and geology, and the suitability thereof and of the property for any and all activities and uses which Buyer may elect to conduct thereon; (ii) except for any representation and warranty contained in this contract, the warranty of title contained in the deed and, if applicable, bill of sale, to be delivered by Seller pursuant hereto, the existence, nature and extent of any right-of-way, lease, right to possession or use, lien, encumbrance, license, reservation, condition or other matter affecting title to the property; and (iii) the compliance of the property or its operation with any laws, ordinances, orders, rules or regulations of any governmental or other body. Buyer agrees to accept the property and acknowledges that the sale of the property as provided for herein is made by Seller on an "as is, where is and with all faults" basis, except as otherwise expressly provided herein. Buyer expressly acknowledges that, in consideration of the agreements of Seller herein, except as otherwise specified herein, Seller makes no warranty or representation, express or implied, or arising by operation of law, including, but not limited to, any warranty of condition, existence or non-existence of hazardous substances, habitability, merchantability, tenantability or fitness for a particular use or purpose, with respect to the property.

11. **DEFAULT:**

   (a) Unless otherwise provided for herein, if the transaction contemplated hereby is not consummated by reason of Buyer's breach or other failure to timely perform all obligations and conditions to be performed by Buyer (after the expiration of the Feasibility Period and so long as this Contract has not been terminated by Buyer as permitted hereunder), Seller may, as Seller's sole and exclusive remedy, terminate this Contract and receive the Earnest Money Deposit previously delivered by Buyer to the Title Company as liquidated damages; Buyer and Seller hereby agree that actual damages would be difficult or impossible to ascertain and such amount is a reasonable estimate of the damages for such breach or failure.

   (b) Unless otherwise provided for herein, if the transaction contemplated hereby is not consummated by reason of Seller's breach or other failure to timely perform all obligations and conditions to be performed by Seller and same remains uncured for a period of
10 days after written notice from Seller (other than delivery of the executed Special Warranty Deed at Closing), then Buyer may, as Buyer's sole and exclusive remedy at law and/or in equity, either (i) enforce specific performance of Seller's obligations hereunder (provided, any suit for specific performance must be filed, if at all within thirty (30) days after the scheduled Closing Date, otherwise Buyer shall be deemed to have elected the remedy set forth in subsection (ii) below), or (ii) terminate this Contract and receive the Earnest Money Deposit less the non-refundable portion, or (iii) if the remedy of specific performance is unavailable by reason of Seller's intentional actions, then Buyer may sue for its actual out of pocket damages (in no event to exceed $50,000). If Buyer enforces specific performance of this Contract by Seller, Seller will be required to deliver to Buyer the title to the Property that Seller is obligated to delivery pursuant to this Contract, including the satisfaction of any Schedule C items applicable to Seller (subject only to the Permitted Exceptions) but not including any (i) liens, encumbrances and other matters placed by Seller on the Property or suffered by Seller to come into existence after the Effective Date, without Buyer's written consent, (ii) any liens granted by Seller under a deed of trust or other security instrument securing indebtedness of Seller or any mechanics' or materialman's liens or other liens for labor or materials or mowing or like assessments, or (iii) unpaid taxes and special assessments for any years prior to the year of Closing during which Seller has had title to the Property (the matters described in items (i), (ii), and (iii) are referred to herein as "Non-Permitted Liens"), with no reduction in the Sales Price, and in no event shall Seller be obligated to cure or remove or bond against any title defects, liens, encumbrances or other matters affecting title, other than Non-Permitted Liens. Buyer hereby waives and releases to the greatest extent allowed by law all other claims, causes of action or remedies against Seller arising under or in connection with this Contract, including, without limitation, all claims, rights and benefits under the Texas Deceptive Trade Practices - Consumer Protection Act, art. 17.41 et seq., Tex. Bus. and Com. Code, and this waiver and release shall survive Closing or any termination of this Contract; provided, the foregoing waiver and release is not intended to limit or modify any of the representations and warranties made by Seller in this Contract or the warranties of title to be made in the Deed or other documents to be executed by Seller at Closing. Notwithstanding the foregoing, if Seller's default consists of a sale of the Property to a third party in violation of Buyer's rights under this Contract, then Buyer shall have the right to pursue Seller for Buyer's damages in addition to exercising rights to seek specific performance.

12. ATTORNEYS' FEES: Any party to this Contract who is the prevailing party in any legal proceeding against the other party brought under or with respect to this Contract or transaction shall be additionally entitled to recover court costs and reasonable attorneys' fees from the non-prevailing party.

13. REPRESENTATIONS AND WARRANTIES OF SELLER: Seller hereby represents and warrants to Buyer, as of the Effective Date of this Contract and as of the Closing Date:

(a) To Seller's knowledge, there are no parties in possession of any portion of the Property;

(b) Seller has paid all taxes, charges, debts, and other assessments currently due by the Seller with respect to the Property;
(c) Seller has not filed any voluntary petition in bankruptcy or suffered the filing of an involuntary petition by its creditors, suffered the appointment of a receiver to take possession of substantially all of its assets, or suffered the attachment or other judicial seizure of substantially all of its assets; and

(d) Seller has not received any written notice of and has no actual knowledge of: (i) any pending or threatened in writing litigation or governmental proceeding which would affect the Property or any pending or threatened in writing litigation or other proceeding by any owners’ association; or (ii) any violation or alleged violation of any governmental requirement or breach or alleged breach of any covenant, condition or restriction in regard to the Property.

(e) There are no outstanding written or oral leases in any way affecting the Property, and no person or entity has any right with respect to all or any portion of the Property (whether by option to purchase, right of first refusal, contract, or otherwise) that would prevent or interfere with Buyer taking title to, and exclusive possession of, all of the Property at Closing.

(f) The Property is not subject to assessment or collection of additional taxes for prior years based on a change in land usage or ownership.

(g) Seller hereby further represents and warrants to Buyer that Seller has the power and authority to sell and convey the Property as provided in this Contract and to carry out Seller’s obligations hereunder, and that all action necessary to authorize Seller to enter into this Contract and to carry out Seller’s obligations hereunder has been taken.

(h) Seller shall fully disclose to Buyer, promptly upon its occurrence, any change in facts, assumptions or circumstances of which Seller becomes aware prior to the Closing Date that makes the representations and warranties set forth above untrue in any material respect.

Notwithstanding anything to the contrary contained in any applicable law, the representations and warranties made in this Section 13 shall survive the Closing for a period not to exceed nine (9) months from and after the Closing Date (the “Survival Period Expiration Date”). Seller only shall be liable to Buyer hereunder for a breach of a representation and warranty made herein with respect to which Buyer did not have knowledge actual or constructive prior to Closing. If for any reason Buyer does not bring an action prior to the Survival Period Expiration Date, Buyer shall be deemed to have forever waived any and all claims against Seller as to a breach of Seller’s representations and warranties.

14. COVENANTS OF SELLER: From the Effective Date of this Contract until Closing, Seller shall (a) not enter into any contract or agreement affecting the Property or any portion thereof without the prior written consent of Buyer, except for contracts or agreements which are terminable on or prior to the Closing Date, (b) not encumber the Property with any liens, security interests or title matters not presently affecting the Property which will not be released as of the Closing Date nor enter into any leases affecting any portion of the Property or the Improvements, (c) not, without the prior written consent of Buyer, permit any modifications or additions to the Property including the removal, cutting, entering into a contract to sell or otherwise dispose of any trees on the Property and (d) (i) keep and maintain the Property in at 6.74 Acres in Farmersville 11
least as good condition and repair as existed as of the Effective Date of this Contract, and (ii) subject to the prorations described herein, pay all accounts, bills, trade payable and expenses of maintenance of the Property attributable to the period prior to the Closing Date; (e) not perform any grading or excavation, construction, or removal of any Improvement or make any other change or improvement on the Property; or (f) impose any easements, covenants, conditions, or restrictions on the Property or institute or participate in any annexation, zoning, platting, or other governmental action regarding the Property except as provided in Sections 16 or 18(b) of this Contract or otherwise at Buyer's request.

15. **CONDEMNATION:** Seller shall give prompt written notice to Buyer of Seller's receipt of any written notice of any pending or threatened condemnation affecting any of the Property. If prior to the Closing Date condemnation proceedings are commenced or threatened in writing against any portion of the Property, then, at Buyer's option to be exercised on the later of twenty (20) days following receipt of Seller's notice of such condemnation or on the last day of the Feasibility Period (but in no event after the Closing Date), either (a) this Contract shall terminate (in which event the Earnest Money Deposit less the non-refundable portion shall be returned to Buyer and neither party shall have any further rights or obligations hereunder except for the obligations which expressly survive a termination of this Contract), or (b) this Contract shall not terminate, but at Closing, Seller shall assign to Buyer the condemnation award, if any, previously received by, or subsequently payable to, Seller with respect to the Property, and the Sales Price shall not be reduced.

16. **GOVERNMENTAL APPROVALS:** Buyer may, at its option and expense, prepare and submit prior to Closing all applications for, and seek to obtain approval by the City of Farmersville, Texas and/or other applicable governmental authorities of all approvals, permits, licenses and agreements required for Buyer's intended development and use of the property (collectively, the "Governmental Approvals") including appropriate re-zoning if necessary to accommodate multi-family uses, and platting, if necessary. Buyer shall be responsible for all engineering, legal, zoning and other professional fees in connection with the preparation, submission and approval of the Governmental Approvals, any application fees, impact fees, drainage fees, development fees and all other fees charged by applicable governmental authority, and for all bonding of any on or off-site improvements, including sidewalks, required by applicable governmental authority in connection with the Governmental Approvals. Seller shall cooperate with Buyer in connection with the application and approval of the Governmental Approvals, including, without limitation, the timely execution and delivery of the applications, documents and instruments required by the City of Farmersville, Texas and other applicable governmental authority, provided that Seller shall not be obligated to incur any expense in connection therewith.

17. **REPRESENTATIONS, WARRANTIES AND COVENANTS OF BUYER:** Buyer represents and warrants to Seller, which representations and warranties shall be deemed made by Buyer to Seller as of the Effective Date of this Contract and also as of the Closing Date, that Buyer has the full right, power and authority to purchase the Property as provided in this Contract and to carry out Buyer's obligations hereunder, and that all requisite action necessary to authorize Buyer to enter into this Contract and to carry out Buyer's obligations hereunder has been taken.

6.74 Acres in Farmersville 12
Notwithstanding anything herein to the contrary, any breach by Buyer of any of the foregoing representations or warranties shall constitute a default by Buyer hereunder, and Seller may thereupon, at its option, terminate this Contract by giving written notice thereof, in which event the refundable portion of the Earnest Money Deposit, if any, shall be paid to Seller as liquidated damages, and neither Buyer nor Seller shall have any further rights or liabilities hereunder, except as otherwise provided herein.

18. MISCELLANEOUS:

(a) Except as otherwise provided herein, any notice required or permitted to be delivered hereunder shall be in writing and shall be deemed received when (i) personally delivered, (ii) sent by United States mail, postage prepaid, registered or certified mail, return receipt requested, and properly addressed, (iii) deposited with a nationally recognized overnight courier service, charges prepaid, and properly addressed or (iv) sent by facsimile transmission including e-mail, with receipt of machine generated confirmation. For purposes of this Subsection, the addresses of each party shall be that set forth below the signature of such party hereto with a copy to the other addressees set forth below the signature of such party. Either party may change its address for notice from time to time by delivery of at least ten (10) days prior written notice of such change to the other party hereto in the manner prescribed herein.

(b) Buyer shall have the right to file prior to Closing, at Buyer’s expense, any and all plans required in order to obtain a building permit, and any rezoning (to the extent necessary for multi-family use) or replatting (or the vacation of any existing subdivision or consolidation plat) or any other application to obtain any approval or permit from any and all governmental authorities having jurisdiction over the Property which Buyer deems appropriate in connection with the Project. Seller agrees to join in the execution of any application approved by Seller (in Seller’s reasonable judgment) required in order to obtain such permit or approval (or file such application individually if the relevant governmental authority shall so require). Seller further agrees to reasonably cooperate with Buyer or its nominee, at no cost or expense to Seller, in all reasonable respects as necessary for the development of the Property for multi-family, including without limitation, attending and giving favorable testimony at any hearings on the petitions or applications, meeting with, and providing information to, public and private utilities and governmental and quasi-governmental entities and otherwise working to obtain the agreements, assurances, approvals and permits required by Buyer or its nominee.

(c) This Contract shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Collin County, Texas.

(d) This Contract shall be binding upon and inure to the benefit of the parties hereto, their heirs, legal representatives, successors and permitted assigns.

(e) In case any one or more of the provisions contained in this Contract shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. Furthermore, in lieu of any such invalid, illegal or unenforceable provision, there shall
be automatically added to this Contract a provision as similar to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

(f) This Contract constitutes the sole and only agreement of the parties hereto with respect to the subject matter hereof and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter hereof and cannot be changed except by their written consent.

(g) Time is of the essence with this Contract.

(h) Words of any gender used in this Contract shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

(i) The parties may execute this Contract in one or more identical counterparts, all of which when taken together will constitute one and the same instrument.

(j) The parties hereto acknowledge that the parties and their respective counsel have each reviewed and revised this Contract, and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Contract or any amendments or exhibits hereto.

(k) Whenever any determination is to be made or action to be taken on a date specified in this Contract, if such date shall fall upon a Saturday, Sunday or holiday observed by federal savings banks in the State of Texas, the date for such determination or action shall be extended to the first business day immediately thereafter. The term “business day” shall refer to a day which is not a Saturday, Sunday, or holiday observed by federal savings banks in the State of Texas.

(l) In accordance with the requirements of the Texas Real Estate License Act, Buyer is hereby advised by Broker (as hereinafter defined) that Buyer should be furnished with or obtain a policy of title insurance or have the abstract covering the Property examined by an attorney of its own selection.

(m) If the Property is situated within a utility district or flood control district subject to the provisions of §49.452 of the Texas Water Code, then Seller shall give to Buyer the required written notice and Buyer agrees to acknowledge receipt of the notice in writing. The notice must set forth the current tax rate, the current bonded indebtedness and the authorized indebtedness of the district, and must comply with all other applicable requirements of the Texas Water Code.

(n) Neither this Contract nor a memorandum of this Contract shall be recorded.

(o) On or before March 1, 2018, Buyer agrees to file an application with the Texas Department of Housing and Community Affairs for approval of Buyer’s contemplated project for eligibility in the Housing Tax Credit Program so that tax credits will be available to investors in the project pursuant to Section 42 of the Internal Revenue Code. Buyer further
agrees to exercise commercially reasonable efforts and diligence to satisfy the requirements of TDHCA for eligibility in the Program. In addition to Buyer Deliverable Items contained in Exhibit B, upon request of Seller from time to time, Buyer shall provide reasonable evidence of Buyer’s compliance with the provisions hereof.

(p) If a transportation pipeline, including a pipeline for the transportation of natural gas, natural gas liquids, synthetic gas, liquefied petroleum gas, petroleum or a petroleum product or hazardous substance, is located on or within the Property, Seller shall give Buyer statutory notice regarding such pipeline(s) as required by Section 5.010 of the Texas Property Code.

19. **ASSIGNMENT:** Buyer may assign this Contract without Seller’s prior written consent only to an affiliate, which for purposes hereof shall mean an individual, corporation, partnership, joint venture, limited liability company, trust, estate, association, cooperative or other organization or entity of any nature whatsoever that directly, or indirectly through one or more intermediaries, has Control of, is Controlled by, or is under common Control with any other Person and shall include a limited partnership of which the Buyer or an affiliate is a principal general partner, or special limited partner. All entities that share a Principal are Affiliates.

20. **NONREFUNDABLE CONSIDERATION:** Contemporaneously with the execution and delivery of this Contract, Buyer has delivered to Seller and Seller hereby acknowledges the receipt of a check in the amount of Five Hundred Dollars ($500.00) (the “Independent Contract Consideration”), which amount the parties bargained for and agreed to as consideration for Buyer’s exclusive right to inspect and purchase the Property pursuant to this Contract and for Seller’s execution, delivery and performance of this Contract. The Independent Contract Consideration is in addition to and independent of any other consideration or payment provided in this Contract, is nonrefundable, and it is fully earned and shall be retained by Seller notwithstanding any other provision of this Contract.

21. **INTENTIONALLY DELETED.**

22. **INTENTIONALLY DELETED.**

23. **BROKER:** Buyer and Seller represent and warrant to each other that no real estate commissions, finders’ fees, or brokers’ fees have been or will be incurred in connection with the sale of the Property by Seller to Buyer, except for a commission payable by Seller to Davidson Bogle Real Estate (“Seller Broker”), of which 50% will be payable to RKS Group (“Buyer Broker”), if and only if the Closing occurs, pursuant to separate written agreements. Buyer and Seller shall indemnify, defend and hold each other harmless from any claim, liability, obligation, cost or expense (including reasonable attorneys’ fees and expenses) for fees or commissions relating to Buyer’s purchase of the Property asserted against either party by any broker or other person (other than Seller Broker or Buyer Broker) claiming by, through or under the indemnifying party or whose claim is based on the indemnifying party’s acts. The provision of this Section 23 shall survive the Closing or any termination of this Contract.
24. CONTRACT AS OFFER. The execution of the Contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts the offer by 5:00 PM in the time zone in which the Property is located on or before December 19, 2012, the offer will lapse and become null and void.

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the day and year first above written.

SELLER
III TO I FARMERSVILLE LP, LP,
a Texas limited partnership

By: III to I Property Management Farmersville LP, LLC,
a Texas limited liability company,
its general partner

By: III Property Management, LLC,
a Texas limited liability company,
its Manager

By: 
Name: Scott Siverson
Title: Manager

By: 
Name: Darrell W. Gill
Title: Manager

Address:
6000 North Dallas Parkway, Suite 625
Plano, Texas 75024
Attn: Scott Siverson
Email address: scott.siverson@wellsfargo.com

with a copy to
Scott Viscuso, PLLC
1105 N Bishop Avenue
Dallas, Texas 75208
Attention: Marc Viscuso
Email address: marc@viscusolaw.com
BUYER:

Palladium USA International, Inc.

By:  
Name: Thomas E. Huth  
Title: President and CEO  

13455 Noel Road  
Suite 400  
Dallas, Texas 75240  
Email address: thuth@palladiumusa.com  

with a copy to:

David E. Brusilow, Esq.  
Coats Rose P.C.  
14755 Preston Road, Suite 600  
Dallas, Texas 75254  
Email address: brusilow@coatsrose.com
TITLE COMPANY:

Receipt of $20,000.00 Earnest Money Deposit is acknowledged in the form of 

on the 

day of 

2017.

Chicago Title Insurance Company

By:

Escrow Officer
EXHIBITS:

Exhibit A – Depiction of Property
Exhibit B – Buyer Deliverable Items
Schedule 1 – Property Information

6.74 Acres in Farmersville
EXHIBIT A

PROPERTY

6.74 Acres in Farmersville
EXHIBIT B

BUYER DELIVERABLE ITEMS

1/9/18: Submit Pre-Application to Texas Department of Housing and Community Affairs (TDHCA)

3/1/18: Provide Boundary Survey

3/1/18: Provide Resolution of Support from City of Farmersville

3/1/18: Provide Letter of Support from State Representative

3/1/18: Provide Letters of Support from at least two local non-profits

3/1/18: Provide Phase I Environmental Report

3/1/18: Provide Site Design and Feasibility Report by Civil Engineer

3/1/18: Provide Site Plan

3/1/18: Provide Unit Plans and Building Footprints

3/1/18: Submit Full Application to TDHCA

4/2/18: Provide Market Study

4/30/18: Provide TDHCA Full Application Log

7/30/18: Provide TDHCA Scoring Notice

8/1/18: Provide TDHCA Awards of Funding

9/30/18: Provide TDHCA Commitment of Funding

6.74 Acres in Farmersville
SCHEDULE 1

1. The most current survey of the Property, if any.
2. Copy of any environmental report in Seller's possession.
3. Prior three (3) years property tax assessments and taxes paid by jurisdiction
Tab 12 – Title Commitment
THE FOLLOWING COMMITMENT FOR TITLE INSURANCE IS NOT VALID UNLESS YOUR NAME AND THE POLICY AMOUNT ARE SHOWN IN SCHEDULE A, AND OUR AUTHORIZED REPRESENTATIVE HAS COUNTERSIGNED BELOW.

We (Chicago Title Insurance Company, a Florida corporation) will issue our title insurance policy or policies (the Policy) to You (the proposed insured) upon payment of the premium and other charges due, and compliance with the requirements in Schedule C. Our Policy will be in the form approved by the Texas Department of Insurance at the date of issuance, and will insure your interest in the land described in Schedule A. The estimated premium for our Policy and applicable endorsements is shown on Schedule D. There may be additional charges such as recording fees, and expedited delivery expenses.

This Commitment ends ninety (90) days from the effective date, unless the Policy is issued sooner, or failure to issue the Policy is our fault. Our liability and obligations to you are under the express terms of this Commitment and end when this Commitment expires.

Chicago Title Insurance Company
By:

Attest:

CONDITIONS AND STIPULATIONS

1. If you have actual knowledge of any matter which may affect the title or mortgage covered by this Commitment that is not shown in Schedule B you must notify us in writing. If you do not notify us in writing, our liability to you is ended or reduced to the extent that your failure to notify us affects our liability. If you do notify us, or we learn of such matter, we may amend Schedule B, but we will not be relieved of liability already incurred.

2. Our liability is only to you, and others who are included in the definition of Insured in the Policy to be issued. Our liability is only for actual loss incurred in your reliance on this Commitment to comply with its requirements, or to acquire the interest in the land. Our liability is limited to the amount shown in Schedule A of this Commitment and will be subject to the following terms of the Policy: Insuring Provisions, Conditions and Stipulations, and Exclusions.
SCHEDULE A

Effective Date: December 20, 2017 at 8:00 AM
Commitment No.: 8000551700140-Commitment for Title Insurance
(T-7) - 2014

1. The policy or policies to be issued are:
   a. OWNER'S POLICY OF TITLE INSURANCE (Form T-1)
      (Not applicable for improved one-to-four family residential real estate)
      Policy Amount: $733,986.00
      PROPOSED INSURED: Palladium Farmersville, Ltd.
   b. TEXAS RESIDENTIAL OWNER'S POLICY OF TITLE INSURANCE
      ONE-TO-FOUR FAMILY RESIDENCES (Form T-1R)
      Policy Amount:
      PROPOSED INSURED:
   c. LOAN POLICY OF TITLE INSURANCE (Form T-2)
      Policy Amount:
      PROPOSED INSURED:
      Proposed Borrower:
   d. TEXAS SHORT FORM RESIDENTIAL LOAN POLICY OF TITLE INSURANCE (Form T-2R)
      Policy Amount:
      PROPOSED INSURED:
      Proposed Borrower:
   e. LOAN TITLE POLICY BINDER ON INTERIM CONSTRUCTION LOAN (Form T-13)
      Policy Amount:
      PROPOSED INSURED:
      Proposed Borrower:
   f. OTHER
      Policy Amount:
      PROPOSED INSURED:

2. The interest in the land covered by this Commitment is:
   Fee Simple

3. Record title to the land on the Effective Date appears to be vested in:
   III to I Farmersville MP, LP, a Texas limited partnership

4. Legal description of land:
   Being all of Lot 4, Lots 1-4 of FARMERSVILLE MARKET CENTER II and Re-Plat – Lot 1R & 3R of
   Farmersville Market Center, an addition to the City of Farmersville, Collin County, Texas, according to the
   Plat thereof recorded in Document No. 2011-189, Plat Records, Collin County, Texas. As affected by
   Certificate of Correction filed 09/30/2011, recorded under cc#20110930001046210, Real Property
   Records, Collin County, Texas.

END OF SCHEDULE A
SCHEDULE B
EXCEPTIONS FROM COVERAGE

Commitment No.: 8000551700140
GF No.: CTHS55-8000551700140-LT

In addition to the Exclusions and Conditions and Stipulations, your Policy will not cover loss, costs, attorney’s fees, and expenses resulting from:

1. The following restrictive covenants of record itemized below (We must either insert specific recording data or delete this exception):
   under Clerk’s File No. 20111013001099290, Real Property Records, Collin County, Texas
   Omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

2. Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements.

3. Homestead or community property or survivorship rights, if any of any spouse of any insured.
   (Applies to the Owner Policy only.)

4. Any title or rights asserted by anyone, including, but not limited to, persons, the public, corporations, governments or other entities,
   a. to tidelands, or lands comprising the shores or beds or navigable or perennial rivers and streams, lakes, bays, gulls or oceans, or
   b. to lands beyond the line of the harbor or bulkhead lines as established or changed by any government, or
   c. to filled-in lands, or artificial islands, or
   d. to statutory water rights, including riparian rights, or
   e. to the area extending from the line of mean low tide to the line of vegetation, or the rights of access to that area or easement along and across that area.
   (Applies to the Owner Policy only.)

5. Standby fees, taxes and assessments by any taxing authority for the year 2018 and subsequent years; and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership; but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, Texas Tax Code, or because of improvements not assessed for a previous tax years. (If Texas Short Form Residential Mortgagee Policy of Title Insurance (T-2R) is issued, that policy will substitute “which become due and payable subsequent to Date of Policy” in lieu of “for the year 2018 and subsequent years.”)

6. The terms and conditions of the documents creating your interest in the land.

7. Materials furnished or labor performed in connection with planned construction before signing and delivering the lien document described in Schedule A, if the land is part of the homestead of the owner. (Applies to the Mortgagee Title Policy Binder on Interim Construction Loan only, and may be deleted if satisfactory evidence is furnished to us before a binder is issued.)
SCHEDULE B
EXCEPTIONS FROM COVERAGE
(continued)

8. Liens and leases that affect the title to the land, but that are subordinate to the lien of the insured mortgage.
   (Applies to Mortgagee Policy (T-2) only.)

9. The Exceptions from Coverage and Express Insurance in Schedule B of the Texas Short Form Residential
   Mortgagee Policy of Title Insurance (T-2R). (Applies to Texas Short Form Residential Mortgagee Policy of Title
   Insurance (T-2R) only. Separate exceptions 1 through 8 of this Schedule B do not apply to the Texas Short Form
   Residential Mortgagee Policy of Title Insurance (T-2R).

10. The following matters and all terms of the documents creating or offering evidence of the matters (We must insert
    matters or delete this exception):

   a. Rights of parties in possession.

   b. Intentionally Deleted.

   c. If any portion of the proposed loan and/or the Owner's Title Policy coverage amount includes funds for
      immediately contemplated improvements, the following exceptions will appear in Schedule B of any policy
      issued as indicated:

      Owner and Loan Policy(ies):  Any and all liens arising by reason of unpaid bills or claims for work
      performed or materials furnished in connection with improvements placed, or to be placed, upon the
      subject land. However, the Company does insure the insured against loss, if any, sustained by the Insured
      under this policy if such liens have been filed with the County Clerk of  County, Texas, prior to the date
      hereof.

      Owner Policy(ies) Only:  Liability hereunder at the date hereof is limited to $ 0.00. Liability shall increase
      as contemplated improvements are made, so that any loss payable hereunder shall be limited to said sum
      plus the amount actually expended by the insured in improvements at the time the loss occurs. Any
      expenditures made for improvements, subsequent to the date of this policy, will be deemed made as of
      the date of this policy. In no event shall the liability of the Company hereunder exceed the face amount
      of this policy. Nothing contained in this paragraph shall be construed as limiting any exception or any printed
      provision of this policy.

      Loan Policy(ies) Only:  Pending disbursement of the full proceeds of the loan secured by the lien
      instrument set forth under Schedule A hereof, this policy insures only to the extent of the amount actually
      disbursed, but increase as each disbursement is made in good faith and without knowledge of any defect
      in, or objections to, the title up to the face amount of the policy. Nothing contained in this paragraph shall
      be construed as limiting any exception under Schedule B, or any printed provision of this policy.

   d. All leases, grants, exceptions or reservations of coal, lignite, oil, gas and other minerals, together with all
      rights, privileges, and immunities relating thereto, appearing in the Public Records whether listed in
      Schedule B or not. There may be leases, grants, exceptions or reservations of mineral interest that are
      not listed.

   e. Rights of tenants in possession, as tenants only, under unrecorded lease agreements.

   f. A building set-back line, as disclosed by Lots 1-4 of Farmersville Market Center II and Replat of Lot 1R &
      3R of Farmersville Market Center.

      Recording No.:  Volume 2011, Page 189, Real Property Records, Collin County, Texas
      Affects:  North 25', Easternmost 25', South 20', West 10', and East 10'
SCHEDULE B
EXCEPTIONS FROM COVERAGE
(continued)


g. Easement(s) for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract/plat;

Purpose: 1) 10' utility easement(s); 2) 30' Fire Lane, Access, Drainage & Utility Easement(s); 3) Temporary 15' drainage easement; 4) Detention Easement; 5) 28' utility easement; 6) 30' drainage easement; 7) 24' Fire Lane, Access, Drainage & Utility Easement; 8) 30' utility easement; 9) Sanitary Sewer Lift Station easement; 10) 40' wide no build area.

Affects: 
Recording No: Volume 2011, Page 189, Real Property Records, Collin County, Texas


h. Covenants, conditions, restrictions and easements but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, source of income, gender, gender identity, gender expression, medical condition or genetic information, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

Recording Date: October 13, 2011
Recording No: under Clerk's File No. 2011013001099290, Real Property Records, Collin County, Texas


i. Matters contained in that certain document

Entitled: Development Agreement
Dated: November 15, 2011
Executed by: City of Farmersville and Ill to I Farmersville MP, LP, a Texas limited partnership
Recording Date: January 20, 2012
Recording No: under Clerk's File No. 2012012000068480, Real Property Records, Collin County, Texas

Reference is hereby made to said document for full particulars.


j. Interest in and to all coal, lignite, oil, gas and other minerals, and all rights incident thereto, contained in instrument dated September 12, 1966, recorded September 21, 1966 at Volume 679, Page 785, Real Property Records, Collin County, Texas of the Official Records of Collin County, Texas, which document contains the following language "...and undivided 1/2 mineral interest of all minerals in, to and under...". Reference to which instrument is here made for particulars. No further search of title has been made as
to the interest(s) evidenced by this instrument, and the Company makes no representation as to the
ownership or holder of such interest(s).

k. Any rights, interests, or claims which may exist or arise by reason of the following matters disclosed by
survey,

Job No.: C200002-1
Dated: December 29, 2017, last revised January 17, 2018
Prepared by: Mark N. Peeples, Registered Professional Land Surveyor Number 6442

Matters shown: Concrete curbs protrudes over property lines
Fence protrudes over West and South property lines
Your Policy will not cover loss, costs, attorneys' fees, and expenses resulting from the following requirements that will appear as Exceptions in Schedule B of the Policy, unless you dispose of these matters to our satisfaction, before the date the Policy is issued:

1. Documents creating your title or interest must be approved by us and must be signed, notarized and filed for record.

2. Satisfactory evidence must be provided that:
   a. no person occupying the land claims any interest in that land against the persons named in paragraph 3 of Schedule A,
   b. all standby fees, taxes, assessments and charges against the property have been paid,
   c. all improvements or repairs to the property are completed and accepted by the owner, and that all contractors, sub-contractors, laborers and suppliers have been fully paid, and that no mechanic's, laborer's or materialmen's liens have attached to the property,
   d. there is legal right of access to and from the land,
   e. (on a Mortgagee Policy only) restrictions have not been and will not be violated that affect the validity and priority of the insured mortgage.

3. You must pay the seller or borrower the agreed amount for your property or interest.

4. Any defect, lien or other matter that may affect title to the land or interest insured, that arises or is filed after the effective date of this Commitment.

5. Prior approval from Regional Underwriting must be obtained if the subject transaction involves the proposed issuance of (i) an Owner's Policy to a person or entity who purchased the subject property at a foreclosure sale, or (ii) a Loan Policy insuring a lien granted by such person or entity on the subject property.

6. A deed of trust to secure an indebtedness in the amount shown below,

   Amount: $575,000.00
   Dated: December 18, 2014
   Trustor/Grantor: III to I Farmersville MP, LP, a Texas limited partnership
   Trustee: n/a
   Beneficiary: Community National Bank & Trust of Texas
   Loan No.: n/a
   Recording Date: December 29, 2014
   Recording No: under Clerk's File No. 20141229001408510, Real Property Records, Collin County, Texas

   An agreement to modify the terms and provisions of said deed of trust as therein provided

   Executed by: III to I Farmersville MP, LP and Community National Bank & Trust of Texas
   Recording Date: February 9, 2016
   Recording No: under Clerk's File No. 20160209000152250, Real Property Records, Collin County, Texas

   An agreement to modify the terms and provisions of said deed of trust as therein provided

   Executed by: III to I Farmersville MP, LP and Community National Bank & Trust of Texas
   Recording Date: March 3, 2017
SCHEDULE C
(continued)

Recording No: under Clerk\'s File No. 20170303000282040, Real Property Records, Collin County, Texas

7. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance from the limited partnership named below.

Name: III to I Farmersville MP, LP, a Texas limited partnership

a) A copy of the partnership agreement and all amendments thereto.

b) Satisfactory evidence that the partnership was validly formed, is in good standing and that there have been no amendments to the partnership agreement

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

8. Note: The name(s) of the proposed insured(s) furnished with this application for title insurance is/are:

No names were furnished with the application. Please provide the name(s) of the buyers as soon as possible.

9. For each policy to be issued as identified in Schedule A, Item 2; the Company shall not be liable under this commitment until it receives a designation for a Proposed Insured, acceptable to the Company. The Company may amend this commitment to add, among other things, additional exceptions or requirements after the designation of the Proposed Insured.

10. The following note is for informational purposes only:

The following deed(s) affecting said land were recorded within twenty-four (24) months of the date of this report:

None found of record.

The last Deed found of record affecting the Land was recorded April 22, 2008 at under Clerk\'s File No. 20080422000482440, Real Property Records, Collin County, Texas, wherein the grantee acquired the subject property.
11. Note – Important Notice

You have the right to have your funds deposited in an interest-bearing account.

If you choose to establish an interest-bearing account for your deposit, notify your escrow officer immediately. Thereafter you will be provided with a Notice of Election form which you should complete in writing by completing and returning the form, along with your taxpayer identification information, not later than five (5) days before the scheduled closing. If you choose to establish an interest-bearing account for your deposit, an additional charge of $50.00 will be required. This charge may exceed the amount of interest to be earned on the deposit, depending on the amount, applicable interest rate, and the duration of the deposit.

As an example, the amount of interest you can earn on a deposit of $1000.00 for a thirty-day period at an interest rate of 4% is $3.33. Interest earned is dependent on the amount of deposit, time of deposit and the applicable interest rate.

If you do not choose to establish an interest-bearing account for your deposit, your funds will be deposited with other escrow funds in your escrow agent’s general escrow account with an authorized financial institution and may be transferred to another general escrow account or accounts. By reason of the banking relationship between our Company and the financial institution, the Company may receive an array of bank services, accommodations or other benefits. The escrow funds will not be affected by such services, accommodations or other benefits.

Failure to notify your escrow officer and complete the additional required investment authorization form shall constitute waiver of any intention of establishing an interest-bearing account for your deposit(s).

12. Except in an exempt transaction, the Company must be furnished with seller’s social security number or tax identification number and all other information necessary to complete IRS Form 1099S.

13. An acceptable survey of subject property having been received, upon compliance with Rules P-2 and R-16, Schedule B, Item 2 will be amended to read "shortages in area" in its entirety.
SCHEDULE D

Commitment No.: 8000551700140
GF No.: CTHS55-8000551700140-LT

Pursuant to the requirements of Rule P-21, Basic Manual of Rules, Rates and Forms for the writing of Title Insurance in the State of Texas, the following disclosures are made:

1. The issuing Title Insurance Company, Chicago Title Insurance Company, is a corporation whose shareholders owning or controlling, directly or indirectly, 10% of said corporation, directors and officers are listed below:
   
   **Shareholders:** Fidelity National Title Group, Inc. which is owned 100% by FNTG Holdings, LLC which is owned 100% by Fidelity National Financial, Inc.

   **Directors:** Raymond Randall Quirk, Anthony John Park, Michael J. Nolan, Theodore L. Kessner, Edson N. Burton, Jr.

   **Officers:** Raymond Randall Quirk (President), Anthony John Park (Executive Vice President), Michael Louis Gravelle (Secretary), Daniel Kennedy Murphy (Treasurer)

2. The following disclosures are made by the Title Insurance Agent issuing this Commitment:

   **Chicago Title of Texas, LLC**

   (a) A listing of each shareholder, owner, partner, or other person having, owning or controlling one percent (1%) or more of the Title Insurance Agent that will receive a portion of the premium.

   **Owners:** FNTS Holdings, LLC owns 100% of Alamo Title Holding Company, which owns 100% of Chicago Title of Texas, LLC

   (b) A listing of each shareholder, owner, partner, or other person having, owning or controlling 10 percent (10%) or more of an entity that has, owns or controls one percent (1%) or more of the Title Insurance Agent that will receive a portion of the premium.

   **Owners:** FNTG Holdings, LLC owns 100% of FNTS Holdings, LLC

   (c) If the Agent is a corporation: (i) the name of each director of the Title Insurance Agent, and (ii) the names of the President, the Executive or Senior Vice-President, the Secretary and the Treasurer of the Title Insurance Agent.

   **Officers/Directors:** Raymond Randall Quirk (President), Michael Louis Gravelle (Corporate Secretary), Joseph William Grealish (Executive Vice President), Daniel Kennedy Murphy (Treasurer), John Tannous (President and County Manager), Gayle Brand (President and County Manager), Brian K. Baize (President and County Manager), Carlos E. Valdes (President and County Manager), Robert B. Kuhn (President and County Manager)

   (d) The name of any person who is not a full-time employee of the Title Insurance Agent and who receives any portion of the title insurance premium for services performed on behalf of the Title Insurance Agent in connection with the issuance of a title insurance form; and, the amount of premium that any such person shall receive.

   (e) For purposes of this paragraph 2, "having, owning or controlling" includes the right to receipt of a percentage of net income, gross income, or cash flow of the Agent or entity in the percentage stated in subparagraphs (a) or (b).

3. You are entitled to receive advance disclosure of settlement charges in connection with the proposed transaction to which this commitment relates. Upon your request, such disclosure will be made to you. Additionally, the name of any person, firm or corporation receiving a portion of the premium from the settlement of this transaction will be disclosed on the closing or settlement statement.

   You are further advised that the estimated title premium* is:

   **Owner's Policy** $ 4,387.00

   **Total** $ 4,387.00

   Of this total amount: 15% will be paid to the policy issuing Title Insurance Company; 25% will be retained by the issuing Title Insurance Agent; and the remainder of the estimated premium will be paid to other parties as follows:

<table>
<thead>
<tr>
<th>Percent/Amount</th>
<th>To Whom</th>
<th>For Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>60%</td>
<td>Coats Rose, A Professional Corporation</td>
<td>Closing Services</td>
</tr>
</tbody>
</table>

   *The estimated premium is based upon information furnished to us as of the date of this Commitment for Title Insurance. Final determination of the amount of the premium will be made at closing in accordance with the Rules and Regulations adopted by the Commissioner of Insurance.
Title insurance insures you against loss resulting from certain risks to your title.
The commitment for Title Insurance is the title insurance company's promise to issue the title insurance policy. The commitment is a legal document. You should review it carefully to completely understand it before your closing date.

El seguro de título le asegura en relación a perdidas resultantes de ciertos riesgos que pueden afectar el título de su propiedad.

El Compromiso para Seguro de Título es la promesa de la compañía aseguradora de títulos de emitir la póliza de seguro de título. El Compromiso es un documento legal. Usted debe leerlo cuidadosamente y entenderlo completamente antes de la fecha para finalizar su transacción.

Your Commitment for Title insurance is a legal contract between you and us. The Commitment is not an opinion or report of your title. It is a contract to issue you a policy subject to the Commitment's terms and requirements.

Before issuing a Commitment for Title Insurance (the Commitment) or a Title Insurance Policy (the Policy), the Title Insurance Company (the Company) determines whether the title is insurable. This determination has already been made. Part of that determination involves the Company's decision to insure the title except for certain risks that will not be covered by the Policy. Some of these risks are listed in Schedule B of the attached Commitment as Exceptions. Other risks are stated in the Policy as Exclusions. These risks will not be covered by the Policy. The Policy is not an abstract of title nor does a Company have an obligation to determine the ownership of any mineral interest.

---MINERALS AND MINERAL RIGHTS may not be covered by the Policy. The Company may be unwilling to insure title unless there is an exclusion or an exception as to Minerals and Mineral Rights in the Policy. Optional endorsements insuring certain risks involving minerals, and the use of improvements (excluding lawns, shrubbery and trees) and permanent buildings may be available for purchase. If the title insurer issues the title policy with an exclusion or exception to the minerals and mineral rights, neither this Policy, nor the optional endorsements, insure that the purchaser has title to the mineral rights related to the surface estate.

Another part of the determination involves whether the promise to insure is conditioned upon certain requirements being met. Schedule C of the Commitment lists these requirements that must be satisfied or the Company will refuse to cover them. You may want to discuss any matters shown in Schedules B and C of the Commitment with an attorney. These matters will affect your title and your use of the land.

When your Policy is issued, the coverage will be limited by the Policy's Exceptions, Exclusions and Conditions, defined below.

---EXCEPTIONS are title risks that a Policy generally covers but does not cover in a particular instance. Exceptions are shown on Schedule B or discussed in Schedule C of the Commitment. They can also be added if you do not comply with the Conditions section of the Commitment. When the Policy is issued, all Exceptions will be on Schedule B of the Policy.

---EXCLUSIONS are title risks that a Policy generally does not cover. Exclusions are contained in the Policy but not shown or discussed in the Commitment.

---CONDITIONS are additional provisions that qualify or limit your coverage. Conditions include your responsibilities and those of the Company. They are contained in the Policy but not shown or discussed in the Commitment. The Policy Conditions are not the same as the Commitment Conditions.
TEXAS TITLE INSURANCE INFORMATION
(Continued)

You can get a copy of the policy form approved by the Texas Department of Insurance by calling the Title Insurance Company at 1-800-442-7067 or by calling the title insurance agent that issued the Commitment. The Texas Department of Insurance may revise the policy form from time to time.

You can also get a brochure that explains the policy from the Texas Department of Insurance by calling 1-800-252-3439.

Before the Policy is issued, you may request changes in the policy. Some of the changes to consider are:

---Request amendment of the "area and boundary" exception (Schedule B, paragraph 2). To get this amendment, you must furnish a survey and comply with other requirements of the Company. On the Owner's Policy, you must pay an additional premium for the amendment. If the survey is acceptable to the Company and if the Company's other requirements are met, your Policy will insure you against loss because of discrepancies or conflicts in boundary lines, encroachments or protrusions, or overlapping of improvements. The Company may then decide not to insure against specific boundary or survey problems by making special exceptions in the Policy. Whether or not you request amendment of the "area and boundary" exception, you should determine whether you want to purchase and review a survey if a survey is not being provided to you.

---Allow the Company to add an exception to "rights of parties in possession." If you refuse this exception, the Company or the title insurance agent may inspect the property. The Company may except to and not insure you against the rights of specific persons, such as renters, adverse owners or easement holders who occupy the land. The Company may charge you for the inspection. If you want to make your own inspection, you must sign a Waiver of Inspection form and allow the Company to add this exception to your Policy.

The entire premium for a Policy must be paid when the Policy is issued. You will not owe any additional premiums unless you want to increase your coverage at a later date and the Company agrees to add an Increased Value Endorsement.
DELETION OF ARBITRATION PROVISION  
(Not applicable to the Texas Residential Owner's Policy)

ARBITRATION is a common form of alternative dispute resolution. It can be a quicker and cheaper means to settle a dispute with your Title Insurance Company. However, if you agree to arbitrate, you give up your right to take the Title Insurance Company to court and your rights to discovery of evidence may be limited in the arbitration process. In addition, you cannot usually appeal an arbitrator’s award.

Your policy contains an arbitration provision (shown below). It allows you or the Company to require arbitration if the amount of insurance is $2,000,000 or less. If you want to retain your right to sue the Company in case of a dispute over a claim, you must request deletion of the arbitration provision before the policy is issued. You can do this by signing this form and returning it to the Company at or before the closing of your real estate transaction or by writing to the Company.

The arbitration provision in the Policy is as follows:

“Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association (“Rules”). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is $2,000,000 or less shall be arbitrated at the option of either the Company or the Insured, unless the Insured is an individual person (as distinguished from an Entity). All arbitrable matters when the Amount of Insurance is in excess of $2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.”

______________________________  __________________________
Signature                                      Date
## FIDELITY NATIONAL FINANCIAL

### PRIVACY NOTICE

**Effective:** May 1, 2015; **Last Updated:** March 1, 2017

At Fidelity National Financial, Inc., we respect and believe it is important to protect the privacy of consumers and our customers. This Privacy Notice explains how we collect, use, and protect any information that we collect from you, when and to whom we disclose such information, and the choices you have about the use of that information. A summary of the Privacy Notice is below, and we encourage you to review the entirety of the Privacy Notice following this summary. You can opt-out of certain disclosures by following our opt-out procedure set forth at the end of this Privacy Notice.

<table>
<thead>
<tr>
<th>Types of Information Collected</th>
<th>How Information is Collected</th>
</tr>
</thead>
<tbody>
<tr>
<td>You may provide us with certain personal information about you, like your contact information, address demographic information, social security number (SSN), driver's license, passport, other government ID numbers and/or financial information. We may also receive browsing information from your Internet browser, computer and/or mobile device if you visit or use our websites or applications.</td>
<td>We may collect personal information from you via applications, forms, and correspondence we receive from you and others related to our transactions with you. When you visit our websites from your computer or mobile device, we automatically collect and store certain information available to us through your Internet browser or computer equipment to optimize your website experience.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Use of Collected Information</th>
<th>When Information is Disclosed</th>
</tr>
</thead>
<tbody>
<tr>
<td>We request and use your personal information to provide products and services to you, to improve our products and services, and to communicate with you about these products and services. We may also share your contact information with our affiliates for marketing purposes.</td>
<td>We may disclose your information to our affiliates and/or nonaffiliated parties providing services for you or us, to law enforcement agencies or governmental authorities, as required by law, and to parties whose interest in title must be determined.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Choices With Your Information</th>
<th>Information From Children</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your decision to submit information to us is entirely up to you. You can opt-out of certain disclosure or use of your information or choose to not provide any personal information to us.</td>
<td>We do not knowingly collect information from children who are under the age of 13, and our website is not intended to attract children.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Privacy Outside the Website</th>
<th>International Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>We are not responsible for the privacy practices of third parties, even if our website links to those parties’ websites.</td>
<td>By providing us with your information, you consent to its transfer, processing and storage outside of your country of residence, as well as the fact that we will handle such information consistent with this Privacy Notice.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>The California Online Privacy Protection Act</th>
<th>Access and Correction; Contact Us</th>
</tr>
</thead>
<tbody>
<tr>
<td>Some FNF companies provide services to mortgage loan servicers and, in some cases, their websites collect information on behalf of mortgage loan servicers. The mortgage loan servicer is responsible for taking action or making changes to any consumer information submitted through those websites.</td>
<td>If you desire to contact us regarding this notice or your information, please contact us at <a href="mailto:privacy@fnf.com">privacy@fnf.com</a> or as directed at the end of this Privacy Notice.</td>
</tr>
</tbody>
</table>
FIDELITY NATIONAL FINANCIAL
PRIVACY NOTICE
Effective: May 1, 2015; Last Updated: March 1, 2017

Fidelity National Financial, Inc. and its majority-owned subsidiary companies providing title insurance, real estate- and loan-related services (collectively, "FNF", "our" or "we") respect and are committed to protecting your privacy. We will take reasonable steps to ensure that your Personal Information and Browsing Information will only be used in compliance with this Privacy Notice and applicable laws. This Privacy Notice is only in effect for Personal Information and Browsing Information collected and/or owned by or on behalf of FNF, including Personal Information and Browsing Information collected through any FNF website, online service or application (collectively, the "Website").

Types of Information Collected
We may collect two types of information from you: Personal Information and Browsing Information.

Personal Information. FNF may collect the following categories of Personal Information:
• contact information (e.g., name, address, phone number, email address);
• demographic information (e.g., date of birth, gender, marital status);
• social security number (SSN), driver's license, passport, and other government ID numbers;
• financial account information; and
• other personal information needed from you to provide title insurance, real estate- and loan-related services to you.

Browsing Information. FNF may collect the following categories of Browsing Information:
• Internet Protocol (or IP) address or device ID/UDID, protocol and sequence information;
• browser language and type;
• domain name system requests;
• browsing history, such as time spent at a domain, time and date of your visit and number of clicks;
• http headers, application client and server banners; and
• operating system and fingerprinting data.

How Information is Collected
In the course of our business, we may collect Personal Information about you from the following sources:
• applications or other forms we receive from you or your authorized representative;
• the correspondence you and others send to us;
• information we receive through the Website;
• information about your transactions with, or services performed by, us, our affiliates or nonaffiliated third parties; and
• information from consumer or other reporting agencies and public records maintained by governmental entities that we obtain directly from those entities, our affiliates or others.

If you visit or use our Website, we may collect Browsing Information from you as follows:
• Browser Log Files. Our servers automatically log each visitor to the Website and collect and record certain browsing information about each visitor. The Browsing Information includes generic information and reveals nothing personal about the user.
• Cookies. When you visit our Website, a "cookie" may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive. When you visit a website again, the cookie allows the website to recognize your computer. Cookies may store user preferences and other information. You can choose whether or not to accept cookies by changing your Internet browser settings, which may impair or limit some functionality of the Website.

Use of Collected Information
Information collected by FNF is used for three main purposes:
• To provide products and services to you or any affiliate or third party who is obtaining services on your behalf or in connection with a transaction involving you.
• To improve our products and services.
• To communicate with you and to inform you about our, our affiliates' and third parties' products and services, jointly or independently.

**When Information Is Disclosed**

We may provide your Personal Information (excluding information we receive from consumer or other credit reporting agencies) and Browsing Information to various individuals and companies, as permitted by law, without obtaining your prior authorization. Such laws do not allow consumers to restrict these disclosures. Please see the section "Choices With Your Personal Information" to learn how to limit the discretionary disclosure of your Personal Information and Browsing Information.

Disclosures of your Personal Information may be made to the following categories of affiliates and nonaffiliated third parties:

• to third parties to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
• to our affiliate financial service providers for their use to market their products or services to you;
• to nonaffiliated third party service providers who provide or perform services on our behalf and use the disclosed information only in connection with such services;
• to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to market financial products or services to you;
• to law enforcement or other governmental authority in connection with an investigation, or civil or criminal subpoena or court order;
• to lenders, lien holders, judgment creditors, or other parties claiming an interest in title whose claim or interest must be determined, settled, paid, or released prior to closing; and
• other third parties for whom you have given us written authorization to disclose your Personal Information.

We may disclose Personal Information and/or Browsing Information when required by law or in the good-faith belief that such disclosure is necessary to:

• comply with a legal process or applicable laws;
• enforce this Privacy Notice;
• investigate or respond to claims that any material, document, image, graphic, logo, design, audio, video or any other information provided by you violates the rights of a third party; or
• protect the rights, property or personal safety of FNF, its users or the public.

We maintain reasonable safeguards to keep your Personal Information secure. When we provide Personal Information to our affiliates or third party service providers as discussed in this Privacy Notice, we expect that these parties process such information in compliance with our Privacy Notice or in a manner that is in compliance with applicable privacy laws. The use of your information by a business partner may be subject to that party's own Privacy Notice. Unless permitted by law, we do not disclose information we collect from consumer or credit reporting agencies with our affiliates or others without your consent.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of our bankruptcy, reorganization, insolvency, receivership or an assignment for the benefit of creditors. You expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings. We cannot and will not be responsible for any breach of security by a third party or for any actions of any third party that receives any of the information that is disclosed to us.

**Choices With Your Information**

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you. The uses of your Personal Information and/or Browsing Information that, by law, you cannot limit, include:

• for our everyday business purposes – to process your transactions, maintain your account(s), to respond to law enforcement or other governmental authority in connection with an investigation, or civil or criminal subpoenas or court orders, or report to credit bureaus;
• for our own marketing purposes;
• for joint marketing with financial companies; and
• for our affiliates' everyday business purposes – information about your transactions and experiences.

You may choose to prevent FNF from disclosing or using your Personal Information and/or Browsing Information under the following circumstances ("opt-out"):  
• for our affiliates' everyday business purposes – information about your creditworthiness; and  
• for our affiliates to market to you.

To the extent permitted above, you may opt-out of disclosure or use of your Personal Information and Browsing Information by notifying us by one of the methods at the end of this Privacy Notice. We do not share your personal information with non-affiliates for their direct marketing purposes.

For California Residents: We will not share your Personal Information and Browsing Information with nonaffiliated third parties, except as permitted by California law. Currently, our policy is that we do not recognize "do not track" requests from Internet browsers and similar devices.

For Nevada Residents: You may be placed on our internal Do Not Call List by calling (888) 934-3354 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.

For Oregon Residents: We will not share your Personal Information and Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

For Vermont Residents: We will not share your Personal Information and Browsing Information with nonaffiliated third parties, except as permitted by Vermont law, such as to process your transactions or to maintain your account. In addition, we will not share information about your creditworthiness with our affiliates except with your authorization. For joint marketing in Vermont, we will only disclose your name, contact information and information about your transactions.

Information From Children
The Website is meant for adults and is not intended or designed to attract children under the age of thirteen (13). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian. By using the Website, you affirm that you are over the age of 13 and will abide by the terms of this Privacy Notice.

Privacy Outside the Website
The Website may contain links to other websites. FNF is not and cannot be responsible for the privacy practices or the content of any of those other websites.

International Users
FNF’s headquarters is located within the United States. If you reside outside the United States or are a citizen of the European Union, please note that we may transfer your Personal Information and/or Browsing Information outside of your country of residence or the European Union for any of the purposes described in this Privacy Notice. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection and transfer of such information in accordance with this Privacy Notice.

The California Online Privacy Protection Act
For some FNF websites, such as the Customer CareNet ("CCN"), FNF is acting as a third party service provider to a mortgage loan servicer. In those instances, we may collect certain information on behalf of that mortgage loan servicer via the website. The information which we may collect on behalf of the mortgage loan servicer is as follows:
• first and last name;  
• property address;  
• user name and password;  
• loan number;  
• social security number - masked upon entry;  
• email address;
• three security questions and answers; and
• IP address.

The information you submit through the website is then transferred to your mortgage loan servicer by way of CCN.

**The mortgage loan servicer is responsible for taking action or making changes to any consumer information submitted through this website.** For example, if you believe that your payment or user information is incorrect, you must contact your mortgage loan servicer.

CCN does not share consumer information with third parties, other than (1) those with which the mortgage loan servicer has contracted to interface with the CCN application, or (2) law enforcement or other governmental authority in connection with an investigation, or civil or criminal subpoenas or court orders. All sections of this Privacy Notice apply to your interaction with CCN, except for the sections titled "Choices with Your Information" and "Access and Correction." If you have questions regarding the choices you have with regard to your personal information or how to access or correct your personal information, you should contact your mortgage loan servicer.

**Your Consent To This Privacy Notice**
By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information by us in compliance with this Privacy Notice. Amendments to the Privacy Notice will be posted on the Website. Each time you provide information to us, or we receive information about you, following any amendment of this Privacy Notice will signify your assent to and acceptance of its revised terms for all previously collected information and information collected from you in the future. We may use comments, information or feedback that you submit to us in any manner that we may choose without notice or compensation to you.

**Accessing and Correcting Information; Contact Us**
If you have questions, would like to access or correct your Personal Information, or want to opt-out of information sharing with our affiliates for their marketing purposes, please send your requests to privacy@fnf.com or by mail or phone to:

Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, Florida 32204
Attn: Chief Privacy Officer
(888) 934-3354
Tab 13 – Multiple Site

Information Form

Not Applicable
Tab 14 – Elected Officials
Elected officials were identified in the **Pre-Application**, and there have been no changes.

(If box above is checked, these forms may be left **BLANK**.)

Please identify all elected officials which represent the Development Site.

<table>
<thead>
<tr>
<th><strong>US Representative</strong></th>
<th><strong>District</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>State Senator</strong></th>
<th><strong>District</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Support Letter</strong></th>
<th><strong>State Representative</strong></th>
<th><strong>District</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>City Mayor</strong></th>
<th><strong>County Judge</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**While Applicants are not required to notify US Representatives, the Department is required to notify them. Therefore, Applicant must identify the appropriate US Representative of the district containing the Development.**
Tab 15 – Neighborhood Organizations
Identify all Neighborhood Organizations on record with the county or Texas Secretary of State as of the beginning of the Application Acceptance Period whose boundaries include the Development Site.

Organizations were identified in the Pre-Application, and there have been no changes.

(If above is checked, these forms may be left **BLANK**)

<table>
<thead>
<tr>
<th>Neighborhood Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
</tr>
<tr>
<td>Name of Organization</td>
</tr>
<tr>
<td>Address</td>
</tr>
<tr>
<td>Zip</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>2.</td>
</tr>
<tr>
<td>Name of Organization</td>
</tr>
<tr>
<td>Address</td>
</tr>
<tr>
<td>Zip</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>3.</td>
</tr>
<tr>
<td>Name of Organization</td>
</tr>
<tr>
<td>Address</td>
</tr>
<tr>
<td>Zip</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>4.</td>
</tr>
<tr>
<td>Name of Organization</td>
</tr>
<tr>
<td>Address</td>
</tr>
<tr>
<td>Zip</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>5.</td>
</tr>
<tr>
<td>Name of Organization</td>
</tr>
<tr>
<td>Address</td>
</tr>
<tr>
<td>Zip</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>
Tab 16 – Certification of Notifications
CERTIFICATION OF NOTIFICATIONS (ALL PROGRAMS)

Pursuant to §10.203 of the Uniform Multifamily Rules, evidence of notifications includes this sworn affidavit, and the Elected Officials and Neighborhood Organizations Forms. All Applicants, or persons with signing authority, must complete Part 1 or Part 2 below:

Part 1. Notifications made at Pre-Application (Competitive HTC only):

I (We) certify that the pre-application included evidence of these notifications pursuant to §10.203 of the Uniform Multifamily Rules, the pre-application met all threshold requirements, and no additional notifications were required with this full application.

Re-notifications made at Application (Competitive HTC only):

The pre-application for this full Application met threshold requirements, but all required entities were re-notified as required by §10.203 of the Uniform Multifamily Rules. As applicable, all changes in the Application have been made on the Elected Officials and/or Neighborhood Organizations Form(s).

Notifications made at Application:

No pre-application was submitted, and all required entities were notified as required by §10.203 of the Uniform Multifamily Rules.

Part 2. Notifications - Form and Content:

I (we) certify that the notifications do not contain any false or misleading statements. Without limiting the generality of the foregoing, the notification does not create the impression that the proposed Development will serve a Target Population exclusively or as a preference without such targeting or preference being documented in the Application and is or will be in full compliance with all applicable state and federal laws, including state and federal fair housing laws.

I (we) certify that the notifications or any other communications do not contain any statement that violates Department rules, statute, code, or federal requirements.

I (We) certify that, in addition to all of the required neighborhood organizations, the following entities were notified in accordance with §10.203 of the Multifamily Uniform Rules. The notifications were in the format provided in the Application Notification Template. All of the following entities were notified and are correctly listed on the Elected Officials Form and Neighborhood Organizations Form:

- Superintendent of the school district containing the Development;
- Presiding officer of the board of trustees of the school district containing the Development;
- Mayor of any municipality containing the Development;
- All elected members of the Governing Body of any municipality containing the Development;
- Presiding officer of the Governing Body of the county containing the Development;
- All elected members of the Governing Body of the county containing the Development;
- State senator of the district containing the Development; and
- State representative of the district containing the Development.

While not required to be submitted in this Application, I have kept evidence of all notifications made and this evidence may be requested by the Department at any time during the Application review.

Part 3. No Neighborhood Organizations exist (competitive HTC only):

I (We) certify that no Neighborhood Organizations exist for which this Application would be eligible to receive points under §11.9(d)(4) of the QAP or for which notification is required.

Part 4. Certification

By:

Signature of Applicant/Development Owner

[Signature]

Thomas E. Huth

Printed Name

Date

1-22-18

Notarize on next page
I, the undersigned, a Notary Public in and for said County and State, do hereby certify that name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 22nd day of January, 2018.

[Notary Public Signature]
Part 3 – Development Activities
(Tabs 17-23)
Tab 17 – Development Narrative
Development Narrative

1. **The proposed Development is:** (Check all that apply)
   - **New Construction**
   - and/or: 
   (adaptive reuse select New Construction here and adaptive reuse in next box)

   Previous TDHCA #  
   If Acquisition/Rehab or Rehab, original construction year: 
   If Reconstruction, Units Demolished  
   Units Reconstructed 
   If Adaptive Reuse, Additional Phase, or Scattered Site, include detailed information in the Narrative (4.) below.

2. **The Target Population will be:**
   - General

   Applicants seeking to be scored as Supportive Housing must select Supportive Housing as the population.

   §10.3(46) If Elderly Preference is selected, complete the statement below and submit supporting documentation behind this tab.
   Elderly Preference is based on funding from: 

3. **Staff Determinations regarding definitions of development activity obtained?**
   - [ ] If a determination under §10.3(b) of the Uniform Multifamily Rules was made prior to Application submission, provide a copy of such determination behind this tab.

4. **Narrative**
   Briefly describe the proposed Development, including any relevant information not already identified above.
   Palladium Farmersville will be a 80-Unit new construction development that will target the general population located in the City of Farmersville, Collin County, Texas. The development is set on approximately 6.742 Acres and will be comprised of 1, 2 and 3 bedroom units contained within three story buildings. Palladium Farmersville will target renters with incomes between 30% and 60% of the area median income with a market rate component as well.

   If a revised form is submitted, date of submission: 

5. **Funding Request:**

Complete the table below to describe this Application’s funding request. If applying for Multifamily Direct Loan funds, please select only one type of loan.

<table>
<thead>
<tr>
<th>Department Funds applying for with this Application</th>
<th>Requested Amount</th>
<th>If funds will be in the form of a Direct Loan by the Department or for Private Activity Bonds, the terms will be:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multifamily Direct Loan: Const. to Perm. (Repayable)</td>
<td></td>
<td>Interest Rate (%) Amortization (Years) Permanent Term (Years)</td>
</tr>
<tr>
<td>Multifamily Direct Loan: Construction Only (Repayable)</td>
<td></td>
<td>0.00%</td>
</tr>
<tr>
<td>Multifamily Direct Loan: Const. to Perm. (Soft Repayable)</td>
<td></td>
<td>30</td>
</tr>
<tr>
<td>CHDO Operating Expenses Grant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing Tax Credits</td>
<td>$833,805</td>
<td></td>
</tr>
<tr>
<td>Private Activity Mortgage Revenue</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6. **§11.5 - Set‐Aside (For Competitive HTC & Multifamily Direct Loan Applications Only)**

Identify any and all set-asides the application will be applying under with an "x".

Set-Asides can not be added or dropped from pre-application to full Application for Competitive HTC Applications.

<table>
<thead>
<tr>
<th>Competitive HTC Only</th>
<th>Multifamily Direct Loan Only</th>
</tr>
</thead>
<tbody>
<tr>
<td>At-Risk</td>
<td>Nonprofit</td>
</tr>
<tr>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

By selecting the set-aside above, I, individually or as the general partner(s) or officers of the Applicant entity, confirm that I (we) are applying for the above-stated Set-Aside(s) and Allocations. To the best of my (our) knowledge and belief, the Applicant entity has met the requirements that make this Application eligible for this (these) Set-Aside(s) and Allocations and will adhere to all requirements and eligibility standards for the selected Set-Aside(s) and Allocations.

7. **Previously Awarded State and Federal Funding**

Has this site/activity previously applied for TDHCA funds? Yes

Has this site/activity previously received TDHCA funds? No

If "Yes" Enter Project Number: and TDHCA funding source: 

Has this site/activity previously received non-TDHCA federal funding? No

If yes, source: 

Will this site/activity receive non-TDHCA federal funding for costs described in this Application? No

8. **Qualified Low Income Housing Development Election (HTC Applications only)**

Pursuant to §42(g)(1)(A) & (B), the term “qualified low income housing development” means any project or residential rental property, if the Development meets one of the requirements below, whichever is elected by the taxpayer.” Once an election is made, it is irrevocable. Select only one:

- [ ] At least 20% or more of the residential units in such development are both rent restricted and occupied by individuals whose income is 50% or less of the area median gross income, adjusted for family size.
- [X] At least 40% or more of the residential units in such development are both rent restricted and occupied by individuals whose income is 60% or less of the median gross income, adjusted for family size.

If a revised form is submitted, date of submission: 

Tab 18 – Development Activities
Part I
Development Activities

1. **Common Amenities (ALL Multifamily Applications §10.101(b)(5))**

<table>
<thead>
<tr>
<th># of Units</th>
<th>must qualify for</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>80</td>
<td></td>
<td>10</td>
</tr>
</tbody>
</table>

Development will provide sufficient common amenities to qualify for the number of points indicated above, pursuant to §10.101(b)(5) of the Uniform Multifamily Rules. Applications for scattered site developments should refer to §10.101(b)(5)(B) of the Uniform Multifamily Rules.

2. **Unit Requirements (ALL Multifamily Applications §10.101(b)(6)(A) and (B))**

A. **Unit Sizes**

X Development is New Construction or Reconstruction and will meet the minimum Unit Size requirements:

<table>
<thead>
<tr>
<th>Bedroom Size</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Square Footage</td>
<td>500</td>
<td>600</td>
<td>800</td>
<td>1,000</td>
<td>1,200</td>
</tr>
</tbody>
</table>

OR:

☐ Development is proposing Rehabilitation (excluding Reconstruction) or Supportive Housing, and does not adhere to the size requirements above.

B. **Unit Amenities (For Competitive HTC Applications, see Tab 19 for Unit and Development Features)**

☐ Application is a Tax Exempt Bond Development and will meet a minimum of seven (7) points as outlined in §10.101(b)(6)(B) of the Uniform Multifamily Rules.

☐ Application is HOME only or other Department Direct Loan and will meet a minimum of four (4) points as outlined in §10.101(b)(6)(B) of the Uniform Multifamily Rules.

** Rehabilitation Developments will start with a base score of three (3) points and Supportive Housing Developments will start with a base score of five (5) points.**

3. **Tenant Supportive Services (For Competitive HTC Applications and Direct Loan Applications seeking to qualify for points under §13.6, see Tab 19 for Tenant Services elections)**

☐ Application is a Tax Exempt Bond Development and will meet a minimum of eight (8) points as outlined in §10.101(b)(7) of the Uniform Multifamily Rules.

☐ Application is only requesting Direct Loan funds and will meet a minimum four (4) points as outlined in §10.101(b)(7) of the Uniform Multifamily Rules.

4. **Development Accessibility Requirements (ALL Multifamily Applications)**

X Development will meet all specifications and accessibility requirements reflected in the Certification of Development Owner form pursuant to §10.101(b)(8) of the Uniform Multifamily Rules.

☐ All Units accessed by the ground floor or by elevator (“affected units”) comply with the visitability requirements in clauses (i) – (iii) of 10 TAC §10.101(b)(8)(B).

and

X Development has a minimum of 5% of all units in the development set aside for the mobility impaired and an additional 2% set aside for the hearing and/or visually impaired.

Regardless of building type, all Units accessed by the ground floor or by elevator (“affected units”) must comply with the visitability requirements in clauses (i) – (iii) of 10 TAC §10.101(b)(8)(B).
Tab 19 – Development Activities
Part II
### Development Activities (Continued)

#### 1. Size and Quality of Units (Competitive HTC Applications only) [§11.9(b)]

- Development is Rehabilitation and either Supportive Housing or USDA financed OR meets the minimum size requirements identified below:
  
<table>
<thead>
<tr>
<th>Bedroom Size</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Square Footage</td>
<td>550</td>
<td>650</td>
<td>850</td>
<td>1,050</td>
<td>1,250</td>
</tr>
</tbody>
</table>

- Specific amenities and quality features will be provided in every Unit at no extra charge to the tenant; Development will maintain the points selected and associated with those amenities as outlined in §10.101(b)(6)(B) of the Uniform Multifamily Rules.*

* Direct Loan applicants proposing new construction or rehabilitation should be prepared to comply with requirements of the newly published Federal rule at 81 FR 92626, which requires installation of broadband infrastructure at the time of new construction or substantial rehabilitation of multifamily rental housing that is funded or supported by HUD.

#### 2. Rent Levels of Tenants and Tiebreaker (Direct Loan Applications only) [§13.6(e) and (f)]

- At least 20 percent of all low-income Units at 30% or less of AMGI*  
  **Points claimed:** 0

- At least 10 percent of all low-income Units at 30% or less of AMGI or, for a Development located in a Rural Area, 7.5 percent of all low-income Units at 30% or less of AMGI*  
  **Direct Loan Points:** 0

- At least 5 percent of all low-income Units at 30% or less of AMGI*  
  **Direct Loan Points:** 0

- In the event of a tie with another application or applications, this percentage of 30% AMGI MFDL units within the Development would be converted to be available to households at 15% AMGI.

* Applicants electing to restrict units at 30% AMGI for Competitive HTC purposes may not count those units for point scoring under §13.6(e). However, 50% AMGI and 60% AMGI units that are layered with 30% AMGI units for Direct Loan purposes may count for point scoring under §13.6(e). Points claimed here will not appear on the Self Score tab.

#### 3. Income Levels of Tenants (Competitive HTC Applications only) [§11.9(c)(1)]

- Total Number of Units at 50% or less of AMGI  
  **Points claimed:** 19

- Number of 30% Units used to score points under §11.9(c)(2)*  
  **CHECK YOUR MATH!**

- Number of 30% Units used under §11.4(c)(3)(D) regarding an Increase in Eligible Basis (30% boost)  
  **Points claimed:** 4

- Number of Units at 50% or less of AMGI available to use for points under §11.9(c)(1)  
  **Points claimed:** 28.30%

- Specific amenities and quality features will be provided in every Unit at no extra charge to the tenant; Development will maintain the points selected and associated with those amenities as outlined in §10.101(b)(6)(B) of the Uniform Multifamily Rules.*

* Applicants electing the 30% boost for additional 30% units are advised to ensure the units used to support the boost are not included in the units needed to achieve the Application’s scoring elections.

#### 4. Rent Levels of Tenants (Competitive HTC Applications only) [§11.9(c)(2)]

- At least 20% (less Units used for eligibility for boost) of all low-income Units are restricted at 30% or less of AMGI; development is Supportive Housing proposed by a Qualified Nonprofit Organization.
  **Points claimed:** 0

- Development is urban and at least 10% (less Units used for eligibility for boost) of all low-income Units are restricted at 30% or less of AMGI:
  **Points claimed:** 0

- Development is located in a Rural Area and 7.5% (less Units used for eligibility for boost) of all low-income Units are restricted at 30% or less of AMGI:
  **Points claimed:** 11

- At least 5% of all low-income Units at 30% or less of AMGI  
  **Points claimed:** 0

#### 5. Tenant Services (Competitive HTC Applications and Direct Loan Applications ) [§11.9(c)(3) and §13.6(6)]

- Development will provide a combination of supportive services as identified in §10.101(b)(7) and those services will be recorded in the Development’s LURA.

- Supportive Housing Development proposed by a Qualified Nonprofit  
  **Points claimed:** 0

- All other Developments  
  **Points claimed:** 9
6. **Tenant Populations with Special Housing Needs (Competitive HTC, MFDL, and Section 811 Applications) [§11.9(c)(7); §13.6(6)]**

Applicants scoring points under the Section 811 PRA program should pay close attention to the URA requirements included in Tab 21, Davis Bacon requirements under TAB 44 and the environmental clearance requirements included in Tab 47.

If pursuing these points, Applicants must try to score first with subparagraph (A) and then subparagraph (B). Only if an Applicant or Affiliate cannot meet the requirements of subparagraphs (A) or (B) may an Application qualify for points under subparagraph (C). Select only one scoring scenario below:

**A.** Applicant or Affiliate Owns or Controls an Existing Development that is included on the List of Eligible Existing Developments for Participation in the Section 811 PRA Program (See 10 TAC §8.3 and 10 TAC 8.4)

- **Existing Development Name:** Palladium Glenn Heights
- **TDHCA #:** 17423

- Attached behind this tab is the executed Certification for Section 811 PRA Program Participation.
- Points Claimed: 2

**B.** If not scoring under A above, Applicant or Affiliate is committing at least 10 Units in the proposed Development for participation in the Section 811 PRA Program

- Applicant or Affiliate has attached behind this tab an explanation and documentation regarding the Applicant's or Affiliate's lack of Ownership interest or Control of any Existing Development that is included on the List of Qualified Existing Developments for Multifamily Programs:
- Points Claimed: 0

**C.** If cannot score under A or B above, Applicant elects to set-aside at least 5 percent of the total Units for Persons with Special Needs. **Applications including MFDL cannot elect to score points under this item.** The Department will require an initial minimum twelve-month period during which Units must either be occupied by Persons with Special Needs or held vacant, unless the units receive HOME funds from any source.

- Applicant or Affiliate has attached behind this tab an explanation and documentation regarding the Applicant's or Affiliate's lack of Ownership interest or Control of any Existing Development that is included on the List of Qualified Existing Developments for Multifamily Programs; and the Development applying for funding has a disqualifying factor described below:

  - Mark any of the following factors that disqualify the development applying for funding from participating in the Section 811 PRA Program and provide documentation supporting the selection:
    - The Development is not proposing to use and previously did not use federal funding (such as HOME or CDBG funds), and the Development was originally constructed before 1978;
    - Development only has units available that have existing or proposed project-based rental or long-term operating assistance that will be in effect when the property is operating or within six months of receiving Section 811 PRA Program assistance;
    - Development only has units available that are restricted for persons with disabilities. A Development having a preference for Persons with Disabilities or a use restriction for Special Needs Populations is **not a disqualifying factor** for purposes of this scoring item;
    - Development only has units with an existing or proposed 62 or more age restriction.
    - Development is not located in Austin-Round Rock MSA, Brownsville-Harlingen MSA, Corpus Christi MSA, Dallas-Fort Worth-Arlington MSA, El Paso MSA, Houston-The Woodlands-Sugar Land MSA, McAllen-Edinburg-Mission MSA, or San Antonio-New Braunfels MSA.
    - The Development is a new construction project and located in the mapped 500-year floodplain or in the 100-year floodplain according to FEMA’s most current Flood Insurance Rate Maps.
    - The Development is located in a coastal high hazard area (V Zone) or regulatory floodway.

- Other disqualifying factor (please explain)
- Points Claimed: 0

Application is seeking points for Tenant Populations. Points Claimed: 2
7. **Pre-Application Participation (Competitive HTC Applications only) [§11.9(e)(3)]**
   - Development is requesting Pre-Application Points. [X]
   - Points: 6

8. **Extended Affordability (Competitive HTC Applications only) [§11.9(e)(5)]**
   - Development will maintain a 35 year Affordability Period. [X]
   - Points: 2

9. **Historic Preservation (Competitive HTC Applications only) [§11.9(e)(6)]**
   - Application requests points for Historic Preservation. [☐]
   - Application contains a letter from the Texas Historical Commission (THC) determining preliminary eligibility for federal or state historic (rehabilitation) tax credits. [☐]
   - Application includes documentation from the Texas Historical Commission that the property is currently a Certified Historic Structure or determining preliminary eligibility for status as a Certified Historic Structure. [☐]
   - Development will be able to document receipt of historic tax credits by the time Forms 8609 are issued. [☐]
   - At least 75% of the residential units will be within the Certified Historic Structure. [☐]
   - Attached behind this tab are the THC letter and other documentation described above. [X]
   - Application is eligible for five (5) points. [☐]
   - Points: 0

10. **Right of First Refusal (Competitive HTC Applications only) [§11.9(e)(7)]**
    - Development Owner agrees to provide a Right of First Refusal to purchase the Development upon or following the end of the Compliance Period. [X]
    - Points: 1

11. **Funding Request Amount (Competitive HTC Applications only) [§11.9(e)(8)]**
    - Application reflects funding request for no more than 100% of the amount available in the subregion or set-aside as of 12/5/2017. [☐]
    - Points: 0
19a. Section 811
Section 811 Project Rental Assistance Program “PRA” Certification

On behalf of the Applicant and all affiliates of the Applicant (“Applicant”), I (We) hereby certify that the Applicant is familiar with the provisions of HUD’s Section 811 Project Rental Assistance (“PRA”) program, enacted by Section 811 of the Cranston Gonzalez National Affordable Housing Act (Pub L. 111-374) and the Frank Melville Supportive Housing Investment Act of 2010, the Texas Department of Housing and Community Affairs (“TDHCA”) Rules as published in Title 10 of the Texas Administrative Code, HUD Handbook 4350.3 REV-1 (Occupancy Requirements of Multifamily Housing Programs), and the Section 811 Project Rental Assistance Program Cooperative Agreement, including the Rental Assistance Contract ("RAC") and the Use Agreement. I (We) hereby certify that the Applicant will comply with future guidance regarding the Section 811 PRA Program provided by HUD and/or TDHCA, including Rules, FAQs, and program manuals.

I (We) hereby certify that Applicant will execute a Section 811 PRA Owner Participation Agreement, in a form to be provided by TDHCA, a TDHCA approved Existing Development, or if allowed by TDHCA, for an awarded Development included in this Application. Once an Owner Participation Agreement has been executed, I (We) hereby certify that I (We) understand that TDHCA will market the property under the Owner Participation Agreement to potential Section 811 PRA tenants at any time during the term of the Owner Participation Agreement, and I (We) hereby certify that I (We) will furnish to TDHCA, any requested materials, including pictures, to do such marketing. If requested by TDHCA, I (We) hereby certify that I (We) will execute a RAC and record the required Use Agreement in the county deed records.

I (We) hereby certify that I (We) will comply with all HUD regulations, court rulings, related administrative rules, and eligibility guidelines and restrictions during the application process and in the event of award, for the duration of the Section 811 Owner Participation Agreement or the Use Agreement, whichever has a longer term.

I (We) hereby make application to the TDHCA to participate in the Section 811 PRA Program. The undersigned hereby acknowledges that an award by the TDHCA does not warrant that the Existing Property or the Development is deemed qualified to participate in the Section 811 PRA Program. I (We) agree that the TDHCA or any of its directors, officers, employees, and agents will not be held responsible or liable for any representations made to the undersigned or its investors relating to the Section 811 PRA Program; therefore, I (We) assume the risk of all damages, losses, costs, expenses, and liabilities of any nature directly or indirectly, related thereto and agree to indemnify and save harmless the TDHCA and any of its officers, employees, and agents against any and all claims, suits, losses, damages, costs, and expenses of any kind and of any nature that the TDHCA may hereinafter suffer, incur, or pay arising out of or relating to the TDHCA’s acceptance, consideration, approval or disapproval of this request and the issuance or non-issuance of a RAC or 811 PRA funds herewith.

I (We) hereby acknowledge that this Application is subject to disclosure under Chapter 552, Texas Government Code, the Texas Public Information Act, unless a valid exception exists.

I (We) acknowledge all representations, undertakings, and commitments made by Applicant in the application process for a Development, whether with respect to eligibility criteria, selection criteria or otherwise, shall be deemed to be a condition to any Commitment or Contract for such
Development, the violation of which shall be cause for cancellation of such Commitment or Contract by the TDHCA and if regarding the ongoing features or operation of the Development, shall be enforceable by the TDHCA and the tenants of the Development, including enforcement by administrative penalties for failure to perform, in accordance with the LURA. The obligation to sign an Owner Participation Agreement is binding. I (We) must sign an Owner Participation Agreement if the Development receives an award and is requested to do so by the Department.

I (We) agree the TDHCA may, at its discretion, request additional information and/or documentation in its evaluation of this Application to garner required information relating to the qualification of the Development for the 811 Program. I (We) hereby assert that the information contained in this Application as required or deemed necessary by the materials governing the 811 PRA program are true and correct and that I (We) have undergone sufficient investigation to affirm the validity of the statements made.

Further, I (We) hereby assert that I (We) have read and understand all the information contained in the Application. By signing this document, I (We) affirm that all statements made in this government document are true and correct under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. TEX. PENAL CODE ANN. §37.01 et seq. (Vernon 2011).

I (We) understand and agree that if false information is provided in this Application which has the effect of increasing the Applicant’s competitive advantage, the TDHCA will disqualify the Applicant and may hold the Applicant ineligible to apply for 811 PRA funds or seek other additional administrative penalties.

If, at any time, including after the signing a Section 811 PRA Program Owner Participation Agreement, it is discovered that I (We) provided false or misleading information to TDHCA, TDHCA may terminate the Applicant’s HUD RAC and/or the Section 811 PRA Program Owner Participation Agreement and recapture all Section 811 PRA funds expended.

I (We) hereby certify that I (We) will comply with applicable fair housing and civil rights requirements in 24 CFR §5.105(a), including, but not limited to, the Fair Housing Act; Title VI of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; and Title II of the Americans with Disabilities Act. Further, I (We) certify that I (We) shall not, in the provision of services, or in any other manner, discriminate against any person on the basis of race, color, religion, sex, national origin, familial status, or disability. I (We) certify that I (We) will comply with HUD’s Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity requirements. See 24 C.F.R. §§ 5.100, 5.105(a)(2), 5.403. I (We) hereby certify that I (We) understand that the Development must prominently display HUD’s Fair Housing Poster (HUD Form 928.1) in all offices in which rental activity takes place. This includes property management leasing offices located at their projects with Section 811 PRA units, and may include a designated place where information or other business regarding the Section 811 PRA program is conducted with potential tenants. I (We) will comply with any requirements of the Section 811 PRA Program that require changes to the Development’s tenant selection plans, house rules, marketing materials, or application.

I (We) have written below the name of the individual authorized to execute the TDHCA Owner Participation Agreement, the HUD RAC, the HUD Use Agreement, and any and all future commitments and contracts related to this Application. I (We) hereby certify that this individual has...
the full authority and has been authorized by all of the Parties, Affiliates, or Associates with interest in the Development in this Application. If this individual is replaced by the organization, I (We) must inform the TDHCA within 30 days of the person authorized to execute agreements, commitments and/or contracts on behalf of the Applicant.

I (We) certify that I (We) do not and will not knowingly employ an undocumented worker, where “undocumented worker” means an individual who, at the time of employment, is not lawfully admitted for permanent residence to the United States or authorized under law to be employed in that manner in the United States.

If, after receiving a public subsidy (including Section 811 PRA Program funds), I (We) are convicted of a violation under 8 U.S.C Section 1324a(f), I (We) shall repay the amount of the public subsidy with interest, at the rate and according to the other terms provided by an agreement under Tex. Government Code §2264.053, not later than the 120th day after the date TDHCA notifies the Applicant of the violation.

I (We) certify that I (We) am eligible to apply for funds or any other assistance from the TDHCA. I (We) certify that all audits are current at the time of application. I (We) certify that any Audit Certification Forms have been submitted to the TDHCA in a satisfactory format on or before the Application deadline for funds or other assistance pursuant to 10 TAC §1.3(b).

**Property Condition Standards Certification**

I (We) certify that I (We) will meet local and state housing code, ordinances, and zoning requirements, Texas Minimum Construction Standards, Uniform Physical Construction Standards and Inspection Requirements under 24 CFR Section 5 Subpart G, including any changes in the regulation and related directives and will comply with HUD’s Physical Condition Standards of Multifamily Properties of 24 CFR Part 200, Subpart P, including any changes in the regulation and related directives.

I (We) certify that a TDHCA approved Existing Development, or if allowed by TDHCA in writing, the Development referenced in this Application is in compliance and that during the term of the Section 811 Participation Agreement and/or RAC the Applicant will respond to all requests for deficiency resolution within the timeframes mandated by the Uniform Multifamily Rules at 10 TAC Chapter 10 or other requirements associated with the satisfactory provision of a unit as required by the 811 PRA program.

**Federal Cross-Cutting Certifications**

**Lead Based Paint**

I (We) certify that documentation of compliance with 24 CFR Part 35 (Lead Safe Housing Rule), including but not limited to the documentation reflected in the following clauses, will be maintained in project files. I (We) understand that standard forms are available in the Federal Register, as indicated by the sources noted below.

Applicability Form 24 CFR §35.115 – A copy of a statement indicating that the property is covered by or exempt from the Lead Safe Housing Rule.
a. If the property is exempt, the file should include the reason for the exemption and no further documentation is required.

b. If the property is subject to the Rule, the file should include the appropriate documentation to indicate basic compliance, as listed below:

   i. Summary Paint Testing Report or Presumption Notice 24 CFR §35.930(a) – A copy of any report to indicate the presence of lead-based paint (LBP) for projects receiving up to $5,000 per unit in rehabilitation assistance. If no testing was performed, then LBP is presumed to be on all disturbed surfaces;

   ii. Notice of Evaluation 24 CFR §35.125(a) – A copy of a notice demonstrating that an evaluation summary was provided to residents following a lead-based paint inspection, risk assessment or paint testing;

   iii. Clearance Report 24 CFR §35.930(b)(3) – A report indicating a “clearance examination” was performed of the work-site upon completion; and

   iv. Notice of Hazard Reduction Completion 24 CFR §35.125(b) – Upon completion, a copy of a notice to show that a LBP remediation summary was provided to residents.

Environmental

I (We) understand that the environmental effects of each activity carried out with funds provided under this Application must be assessed in accordance with the provisions of the Section 811 PRA Cooperative Agreement, § PRA.215 and § PRA.216. Each activity must have an environmental review completed and support documentation prepared complying with HUD regulations. No Section 811 Owner Participation Agreement may be signed and no Section 811 PRA funds can be provided for a unit before the completion of the environmental review process and the provision of written clearance by TDHCA.

I (We) certify that I (We) have read and understand the requirements of the HUD Section 811 PRA Cooperative Agreement, § PRA.215 and § PRA.216.

Displacement of Existing Tenants

I (We) certify that the work to be performed in connection with the award of Section 811 PRA funds is subject to Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (“URA”), as amended, and regulations at 49 CFR Part 24. Hence, I(We) commit to minimize the direct and indirect displacement of persons from their homes and assure full compliance with URA federal relocation assistance mandates including adherence to TDHCA established procedure relocation requirements.

Davis Bacon

I (We) certify that if Davis Bacon is applicable to this award, I (We) will fully comply with contract Federal labor law mandates and TDHCA established labor standards procedural requirements.
**Energy and Water Conservation**

I (We) certify to comply with Energy and Water Conservation standards and requirements as outlined in § PRA.214.

**Procurement of Recovered Materials**

I (We) certify to comply with the Procurement of Recovered Materials requirements as outlined in § PRA.219.

**Housing Standards for Assisted Units**

I (We) certify to comply with Housing Standards for Assisted Units as outlined in § PRA.307 for Section 811 PRA units and as outlined in 10 TAC Chapter 1 Subchapter B and Chapter 10 “Uniform Multifamily Rules.”

**Eligibility and Threshold Certification**

On behalf of the Applicant and all affiliates of the Applicant, I (We) hereby certify that the Applicant is familiar with the provisions and requirements of the Section 811 PRA Program for which I (We) am applying.

I (We) understand that housing units occupied by eligible tenants participating in the program must be affordable to Extremely Low-Income persons. I (We) understand that mixed income rental Developments may only apply PRA to units that meet 811 program affordability standards. I (We) understand that all Applications must adhere to the TDHCA’s Integrated Housing Rule at 10 TAC §1.15 and Exhibit 5 of the Section 811 PRA Cooperative Agreement § PRA.305. Additionally, I (We) certify that the units identified for 811 PRA assistance will be dispersed throughout the property and must not be segregated to one area of a building or Development.

I (We) certify to follow the requirements of § PRA.403 regarding the Selection and Admission of Eligible Tenants. In addition, I (We) understand that prior to receiving referrals for Section 811 tenants, I (We) must submit and receive approval by the TDHCA for the Development’s Tenant Selection Plan. I (We) understand that the Applicant or their designated property management staff will accept referrals of Section 811 applicants from the TDHCA and determine eligibility based on the TDHCA-approved Tenant Selection Plan. I (We) understand that upon the request of TDHCA or HUD, the Applicant must furnish copies of all applications to HUD and/or TDHCA.

I (We) understand that the Applicant or their designated property management staff will be responsible for:

1. obtaining and verifying information related to Social Security Numbers of Eligible Family members in accordance with 24 CFR Part 5, subpart B. Applicant or their designated property management staff shall refer to HUD Handbook 4350.3 REV-1, Chapters 3-3, B. and C., 3-9, and 3-11, and 3-31 for further guidance;

2. obtaining and verifying income through the use of Enterprise Income Verification (EIV), pursuant to 24 C.F.R. 5.233(a)(2). Applicant or their designated property management staff shall refer to HUD Handbook 4350.3 REV-1, Chapter 3-30 for further guidance;
(3) obtaining and verifying information related to income eligibility of Eligible Families in Assisted Units in accordance with 24 CFR Part 5, subpart F. Applicant or their designated property management staff shall refer to HUD Handbook 4350.3 REV-1, Chapter 3-30 for further guidance;

(4) preventing crime in the Assisted Units, including the denial of admission to persons engaged in criminal activity or has certain criminal histories, in accordance with 24 CFR Part 5, Subpart H. Applicant or its designated property management staff shall refer to HUD Handbook 4350.3 REV-1, Chapter 4-27, E. for further guidance.

(5) complying with protections for victims of domestic violence, dating violence, sexual assault, or stalking, pursuant to 24 CFR Part 5, Subpart L; and

(6) complying with all other applicable requirements, including but not limited to the RAC, Project Rental Assistance Program Guidelines, and any other HUD administrative requirements.

I (We) understand that the Section 811 tenants participation in supportive services is voluntary and cannot be required as a condition of admission or occupancy.

I (We) understand that if the Applicant or their designated property management staff determines that an applicant is ineligible on the basis of income or Household composition, or because of failure to meet the disclosure and verification requirements for Social Security Numbers (as provided by 24 CFR Part 5), or because of failure by an Section 811 applicant to sign and submit consent forms for the obtaining of wage and claim information from State Wage Information Collection Agencies, or that the Applicant or their designated property management staff is not selecting the Section 811 applicant for other reasons, the Applicant or their designated property management staff will promptly notify the Section 811 applicant in writing of the determination and its reasons, and that the applicant has the right to meet with the Applicant or their designated property management staff and has the right to request a reasonable accommodation. I (We) understand that the Section 811 applicant may also exercise other rights if the applicant believes that he or she is being discriminated against on the basis of race, color, national origin, religion, sex, disability or familial status. I (We) understand that records on Section 811 applicants and Section 811 tenants, which provide racial, ethnic, gender and place of previous residency data required by HUD, must be maintained and retained for three (3) years. I (We) shall refer to HUD Handbook 4350.3 REV-1, Chapter 4-9 for further guidance on rejecting Section 811 applicants and denial of rental assistance.

I (We) certify that no Section 811 PRA Program funds will be attached to units receiving any other form of federal or state housing operating assistance or units that have received any form of long-term operating housing subsidy within a six-month period prior to receiving PRA funds. I (We) additionally certify that 811 PRA subsidy funds will not be attached to any unit that is currently a 30% AMI rent and income restricted unit or any unit that is currently operating with an existing use restriction or contractual obligation to serve persons with disabilities or persons 62 and older.
I (We) understand that funding through the full, initial 20 year term of a RAC contract to provide 811 PRA assistance will be conditional based upon available appropriations during each 5 year renewal cycle and may be moved or dissolved by TDHCA at anytime. Additionally, I (We) understand that the total number of assisted units, and their number of bedrooms maybe adjusted at anytime by TDHCA for a maximum number of units committed in the Section 811 PRA Owner Participation Agreement.

Management Practices Certification

I (We) certify that the Applicant or their designated property management staff will immediately notify TDHCA of Section 811 PRA unit vacancies if requested by TDHCA. I (We) certify that, once a RAC is executed, that the available unit will be held vacant for an 811 PRA tenant referred by TDHCA, if a tenant has been referred to the property by TDHCA, for up to 60 days before the unit will be re-rented to a non-811 PRA applicant.

I (We) certify that the Applicant or their designated property management staff will comply with any current or future requirement for marketing or outreach of the units and I (We) certify that I (we) will follow all HUD Fair Housing and Equal Opportunity requirements.

I (We) certify that I (we) will furnish all required documentation, reports, and forms as necessary to assist TDHCA in entering necessary eligibility and income information in HUD systems as required; information requested for reporting on performance measures to HUD will be furnished within the timelines as specified by TDHCA.

I (We) certify that we understand that all Applicants who are States, Territories, Urban Counties, and Metropolitan cities shall be subject to the requirements of 24 CFR Part 85, and further that all Applicants who are Nonprofits shall be subject to the requirements of 24 CFR Part 84.

I (We) certify that the initial lease between the Development and any 811 PRA assisted tenant will be a minimum of one year; I (we) further certify that the HUD model lease form HUD-92236-PRA will be used as required by the Cooperative Agreement, Section XII. GRANTEE PROGRAM ADMINISTRATION.

In addition, I (We) certify that we understand that all lease addendums must be sent to TDHCA. TDHCA will consider lease addendums on a case by case basis and may decide to send to HUD for approval. Owners may only modify the lease terms with a tenant at the end of the initial term or a successive term by serving an appropriate notice to the tenant, together with the provision of a revised TDHCA approved agreement or addendum.

I (We) certify to follow requirements of § PRA.406. I (We) understand that prior to occupancy of a Section 811 unit, that an Eligible Section 811 Household must be given the opportunity to be present for the move-in unit inspection. I (we) understand that the inspection of the Section 811 Unit will be completed by both the Applicant or the designated Property Management staff and the Eligible Section 811 Household and both shall certify, on a form prescribed or approved by TDHCA that they have inspected the Section 811 Unit and have determined it to be Decent, Safe, and Sanitary condition in accordance with the criteria provided in the form. The Applicant or the designated Property Management staff shall keep a copy of this inspection and make part of the lease as an attachment to the lease. If the Eligible Section 811 Household waives the right to this
inspection, a form prescribed or approved by the TDHCA would be signed by the Eligible Household indicating they have waived this right.

In addition, I (We) certify that the Applicant or the designated Property Management staff shall perform unit inspections of the Section 811 Units on at least an annual basis to determine whether the appliances and equipment in the unit are functioning properly and to assess whether a component needs to be repaired or replaced. This will ensure that the Applicant is meeting its obligation to maintain the Assisted Units in Decent, Safe, and Sanitary condition.

In addition, I (We) understand that the TDHCA and/or HUD may ask, and must be permitted, to review the records related to the RAC at least annually to determine compliance. I (We) understand that HUD may independently inspect project operations and Section 811 Units at any time with reasonable notice prior to inspection; and Equal Opportunity reviews may be conducted by HUD at any time.

I (We) certify that the Applicant or the designated Property Management staff shall comply with the Overcrowded and Under Occupied Unit requirements set by TDHCA in the Participant Selection Plan TDHCA maintains for HUD (and which is available on the TDHCA website) and will ensure that Section 811 tenants are not over or under housed according to those requirements.

I (We) certify that the Applicant or the designated Property Management staff shall comply and participate with any dispute resolution processes as required by TDHCA.

I (We) certify, as referenced in § PRA.409, that the Applicant shall not impede the reasonable efforts of tenants of the Assisted Units to organize pursuant to 24 CFR Part 245, or any successor regulations of 24 CFR Part 245, or unreasonably withhold the use of any community room or other available space appropriate for meetings which is part of the mortgaged property when requested by: (i) a resident tenant organization in connection with the representational purposes of the organization; or (ii) tenants seeking to organize or to consider collectively any matter pertaining to the operation of the mortgaged property.

I (We) certify that the Development site referenced in this Application will take reasonable steps to ensure meaningful access to its programs and activities to Limited English Proficiency tenants. Additionally, I (We) certify that all communications provided to Eligible Applicants and Eligible Households at the Development referenced in this Application are provided in a manner that is effective for persons with hearing, visual, and other communications-related disabilities consistent with Section 504 of the Rehabilitation Act of 1973 and, as applicable, the Americans with Disabilities Act.

I (We) certify that Development staff will assist 811 PRA tenants with annual re-certification of income and program requirements as required by HUD; property staff are familiar with HUD income verification requirements and tenant re-certification policies as published in the HUD Handbook 4350.3 REV-1.

I (We) certify that Development staff has the capacity and agrees to participate in the Tenant Rental Assistance Certification System for Section 811 PRA tenants. I (We) certify that if TDHCA procures a third party for one or more duties of the 811 PRA program, the Development will respond and comply with that third party in all ways as required of their obligations to TDHCA.
I (We) certify that the Development will obtain and maintain any information technology systems required of the PRA Program will be utilized at the Development at no expense to the TDHCA.

I (We) certify that any updated screening, eligibility, lease addenda or fee criteria established for tenants of the identified Development in this Application will be provided to TDHCA 30 days prior to property implementation; additionally, upon request TDHCA will receive copies of tenant recertifications completed by property staff.

I (We) certify that TDHCA will receive upon request any notices advising of property or resident rental increases.

I (We) certify that a copy of the Development's property management plan, tenant selection criteria (or plan) and Affirmative Fair Housing Marketing plan will be provided to and discussed with onsite Development staff.

By: __________________________

Signature of Authorized Representative

______________________________

Printed Name

______________________________

Authorized Representative

Title

__/__/2018

Date

The State of Texas

COUNTY OF

Before me, a notary public, on this day personally appeared ____________________, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct. GIVEN UNDER MY HAND AND SEAL OF OFFICE this ___________ day of ____________________, 2018.

(Seal) ________________________________

Notary Public Signature

JULIE MARTIN

MY COMMISSION EXPIRES APRIL 9, 2018
Tab 20 – Existing Dev Info

Not Applicable
Tab 21 – Occupied Rehab

Developments

Not Applicable
Tab 22 – Architectural Drawings
Architectural Drawings Must be Submitted Behind this Tab [§10.204(b)(9)]
(If development is scattered site, consult staff.)

X Site Plan which:
   X states the size of the site on its face
   X includes a unit and building type table matrix that is consistent with the Rent Schedule and Building and Unit
     Configuration forms in labeling the buildings, stating sizes, etc.
   X identifies all residential and common buildings and labels them consistently with the Building/Unit Type
     Configuration form
   X clearly delineates the flood plain boundary lines or states there is no floodplain
   X identifies all easements, regardless of how they are held
   X indicates placement of detention/retention pond(s) or states there are no detention ponds
   X indicates the location and number of parking spaces, garages and carports
   X indicates the location and number of accessible parking spaces (review application webinar)
   X includes information regarding local parking requirements
   X indicates compliant accessible routes
   X includes a unit and building type table matrix that indicates the distribution of accessible Units
   n/a indicates placement of detention/retention pond(s) or states there are no detention ponds

X Residential Building floor plans should include the following, building by building:
   X separate tabulation of the square footage of each of these areas: breezeways, corridors, utility closets, porches
     and patios, and any other square footage not included in NRA
   X location of accessible units

X Common Building floor plans should include the following, building by building:
   X tabulation of the square footage of conditioned (heated and cooled) spaces that are accessible to tenants, e.g.,
     offices for tenant/management contact, clubrooms, kitchens, exercise rooms, laundries, etc. (state each area
     separately).
   X tabulation of the square footage of conditioned areas that are restricted to employees, only, e.g., administrative
     offices, maintenance areas, etc. (state each area separately).
   X tabulation of the square footage of unconditioned areas that are accessible to tenants, e.g., porches, patios,
     mailbox areas, etc. (state each area separately)
   X tabulation of the square footage of unconditioned areas that are restricted to employees, only, e.g., maintenance
     areas, equipment rooms, storage, etc. (state each area separately)
   n/a For Supportive Housing only, specification of space to be used for 50 sq ft/unit common space

X Unit floor plans for each type of Unit
   X 5% of each Unit type are accessible to tenants with a mobility impairment, and 2% are accessible to tenants with a
     vision or hearing impairment
   X All Units accessed by the ground floor or by elevator comply with the visitability requirements of
     10.101(b)(8)(B)(iii)

X Elevations for each side of each building type and must include:
   X a percentage estimate of the exterior composition of each elevation
   X roof pitch
   n/a Photos of building elevations (Rehab and Adaptive Reuse not altering the unit configuration)
APARTMENTS AT FARMERSVILLE
FARMERSVILLE, TEXAS
80 UNITS
UNIT AMENITIES:
- COVERED ENTRIES
- 9 CEILINGS
- MICROWAVE OVENS
- STAINLESS STEEL
- SELF-CLEANING OVENS
- REFRIGERATOR W/ ICE MAKER
- STAINLESS STEEL
- COVERED PATIOS
- 14 SEER HVAC
- THIRTY YEAR SHINGLE ROOFING
- GREATER THAN 30% MASONRY
- RECESSED LED IN KITCHEN AND LIVING
- WALK IN MASTER CLOSET

C1 - THREE BEDROOM, TWO BATH 1154 S.F.

SCALE 1/4" = 1'-0"
Tab 23 – Specifications and Building/Unit Configuration
## Specifications and Amenities (Check all that apply)

- Single Family Construction
- SRO Transitional (per §42(i)(3)(B))
- Duplex
- Scattered Site
- Fourplex
- Townhome
- > 4 Units Per Building
- Townhome

Development will have:
- X Fire Sprinklers
- Elevators
- # of Elevators
- Wt. Capacity

### Number of Parking Spaces (consistent with Architectural Drawings):
- Free
- Paid

- Shed or Flat Roof Carport Spaces
- Detached Garage Spaces
- Attached Garage Spaces
- Uncovered Spaces
- Structured Parking Garage Spaces

### Floor Composition/Wall Height:
- % Carpet/Vinyl/Resilient Flooring
- Ceiling Height
- % Ceramic Tile
- Upper Floor(s) Ceiling Height (Townhome Only)
- % Other
- Describe:

### Total # of Residential Buildings

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Number of Units</th>
<th>Total Sq Ft for Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>1 1 804</td>
<td>24 19,296</td>
</tr>
<tr>
<td>B1</td>
<td>2 2 960</td>
<td>40 38,400</td>
</tr>
<tr>
<td>C1</td>
<td>3 2 1,154</td>
<td>16 18,464</td>
</tr>
</tbody>
</table>

### Net Rentable Square Footage from Rent Schedule

- Supportive Housing Applicants Only

- Enter the total development common area from the architect’s plans:
- Ensure that this number matches your architectural drawings.
- The additional square footage allowed for Supportive Housing per 11.9(e)(2) is:
- The lesser of these two numbers added to NRA:
- Use this number to figure points under 11.9(e)(2)
- If a revised form is submitted, date of submission:

Net Rentable Square Footage from Rent Schedule: 76,160
### SPECIFICATIONS AND BUILDING/UNIT TYPE CONFIGURATION

**Building Configuration (Check all that apply):**
- Single Family Construction
- BTO
- Transitional (per §42(i)(3)(B))
- Duplex
- Scattered Site
- Fourplex
- X > 4 Units Per Building
- Townhome

**Development will have:**
- X Fire Sprinklers
- Elevators
- # of Elevators
- Wt. Capacity

**Number of Parking Spaces (consistent with Architectural Drawings):**
- Free Paid
- Shed or Flat Roof Carport Spaces
- Detached Garage Spaces
- Attached Garage Spaces
- Structured Parking Garage Spaces

**Floor Composition/Wall Height:**
- 100 % Carpet/Vinyl/Resilient Flooring
- 9 Ceiling Height
- 9 % Ceramic Tile
- 9 Upper Floor(s) Ceiling Height (Townhome Only)
- % Other

---

### Unit Types and Floor Plans

<table>
<thead>
<tr>
<th>Unit Label</th>
<th># of Stories</th>
<th>Building Label</th>
<th># of Beds</th>
<th>Sq. Ft. Per Unit</th>
<th>Number of Units Per Building</th>
<th>Total # of Units</th>
<th>Total Sq Ft for Unit Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>1</td>
<td>B</td>
<td>1</td>
<td>804</td>
<td>9</td>
<td>6</td>
<td>24</td>
</tr>
<tr>
<td>B1</td>
<td>2</td>
<td>B</td>
<td>2</td>
<td>960</td>
<td>15</td>
<td>10</td>
<td>40</td>
</tr>
<tr>
<td>C1</td>
<td>3</td>
<td>B</td>
<td>2</td>
<td>1,154</td>
<td>6</td>
<td>4</td>
<td>16</td>
</tr>
</tbody>
</table>

**Totals:**
- 60
- 20
- 80
- 76,160

---

**Net Rentable Square Footage from Rent Schedule:**
- 76,160

---

**Supportive Housing Applicants Only**

- Enter the total development common area from the architect’s plans:
- **Ensure that this number matches your architectural drawings.**
- The additional square footage allowed for Supportive Housing per 11.9(e)(2) is: **4,000**
- The lesser of these two numbers added to NRA:
  - **76,160**

**If a revised form is submitted, date of submission:**
- [ ]
Tab 23a. – Mobility Units
# Accessible Mobility Units Calculation

Include this worksheet in the Application (or a signed and certified worksheet provided by your accessibility professional that shows the calculations).

To the maximum extent feasible and subject to reasonable health and safety requirements, accessible units must be:

1. Distributed throughout the Unit types AND the Development; and
2. Made available in a sufficient range of sizes and amenities so that the choice of living arrangements of qualified persons with Disabilities is, as a whole, comparable to that of other persons eligible for housing assistance under the same program.

Multifamily Housing Developments covered by 10 TAC 10.101(b)(8)(A) must have a minimum of 5% of all units in the development set aside for the mobility impaired and an additional 2% must be set aside for the hearing and/or visually impaired.

### Mobility

<table>
<thead>
<tr>
<th>Unit Description</th>
<th>Total Units</th>
<th>Required %</th>
<th>Calculated Units</th>
<th>Units Required</th>
<th>Units Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>80</td>
<td>5%</td>
<td></td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>A1</td>
<td>24</td>
<td>5%</td>
<td>1.2</td>
<td>1.2</td>
<td>1</td>
</tr>
<tr>
<td>B1</td>
<td>40</td>
<td>5%</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>C1</td>
<td>16</td>
<td>5%</td>
<td>0.8</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>D</td>
<td>5%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>E</td>
<td>5%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>80</td>
<td>4</td>
<td>4.2</td>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

*NOTE: If total is more than what is required, Applicant will select which Unit(s) not to include Under "Units Proposed"*

### EXAMPLE:

<table>
<thead>
<tr>
<th>Unit Description</th>
<th>Total Units</th>
<th>Required %</th>
<th>Calculated Units</th>
<th>Units Required</th>
<th>Units Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>68</td>
<td>5%</td>
<td></td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>1/1 (874sqft &amp; 806)</td>
<td>28</td>
<td>5%</td>
<td>1.4</td>
<td>1.4</td>
<td>1</td>
</tr>
<tr>
<td>2/2 (950 sqft &amp; 1000)</td>
<td>36</td>
<td>5%</td>
<td>1.8</td>
<td>1.8</td>
<td>2</td>
</tr>
<tr>
<td>3/2 (1120 sqft &amp; 1100)</td>
<td>4</td>
<td>5%</td>
<td>0.2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>D</td>
<td>5%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>E</td>
<td>5%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>68</td>
<td>3.4</td>
<td>4.2</td>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

*NOTE: Required is 4, but calculation yields 4.2. Applicant selected which to round down Under "Units Proposed"*

By signing below, I (WE) certify that the information above meets the requirements in Section 504 of the Rehabilitation Act of 1973 and implemented at 24 C.F.R. Part 8 as described in 10 TAC Chapter 1, Subchapter B. At least five percent (5%) of all dwelling units will be designed and built to be accessible for persons with mobility impairments.

By: [Signature]  
[Signature]  
Date: 1-26-2018

Printed Name: Jason Kelso  
Firm Name (If applicable): Cross Architects
Tab 23b. – HV Units
# Accessible Hearing/Visual Units Calculation

Include this worksheet in the Application (or a signed and certified worksheet provided by your accessibility professional that shows the calculations).

To the maximum extent feasible and subject to reasonable health and safety requirements, accessible units must be:

1. Distributed throughout the Unit types AND the Development; and
2. Made available in a sufficient range of sizes and amenities so that the choice of living arrangements of qualified persons with Disabilities is, as a whole, comparable to that of other persons eligible for housing assistance under the same program.

Multifamily Housing Developments covered by 10 TAC 10.101(b)(8)(A) must have a minimum of 5% of all units in the development set aside for the mobility impaired and an additional 2% must be set aside for the hearing and/or visually impaired.

<table>
<thead>
<tr>
<th>Hearing/Visual</th>
<th>Total Units</th>
<th>Required %</th>
<th>Calculated Units</th>
<th>Units Required (Rounded)</th>
<th>Units Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit Description</td>
<td>80</td>
<td>2%</td>
<td>1.6</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>A1</td>
<td>24</td>
<td>2%</td>
<td>0.48</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>B1</td>
<td>40</td>
<td>2%</td>
<td>0.8</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>C1</td>
<td>16</td>
<td>2%</td>
<td>0.32</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

*NOTE: If total is more than what is required; Applicant will select which to include under "Units Proposed"*

### EXAMPLE

<table>
<thead>
<tr>
<th>Hearing/Visual</th>
<th>Total Units</th>
<th>Required %</th>
<th>Calculated Units</th>
<th>Units Required (Rounded)</th>
<th>Units Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit Description</td>
<td>68</td>
<td>2%</td>
<td>1.36</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>1/1</td>
<td>28</td>
<td>2%</td>
<td>0.56</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2/2</td>
<td>36</td>
<td>2%</td>
<td>0.72</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>3/3</td>
<td>4</td>
<td>2%</td>
<td>0.08</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>D</td>
<td></td>
<td>2%</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>E</td>
<td></td>
<td>2%</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

*NOTE: Required is 2, but calculation yields 3. Applicant selected which Unit(s) to include under "Units Proposed"*

By signing below, I (WE) certify that the information above meets the requirements in Section 504 of the Rehabilitation Act of 1973 and implemented at 24 C.F.R. Part 8 as described in 10 TAC Chapter 1, Subchapter B. At least two percent (2%) of all dwelling units will be designed and built to be accessible for persons with hearing and/or visual impairment.

By: [Signature]

Date: [1-7-2013]

Printed Name: [Cross Architects]

Firm Name (If applicable): [Cross Architects]
Tab 23c. – Parking
**Accessible Parking Calculation**

Include this worksheet in the Application (or a signed and certified worksheet provided by your accessibility professional that shows the calculations).

Parking requirements based on:

There must be one accessible space per accessible Unit located on the closest route to the Unit (ADA).

When parking is provided for leasing office and amenities, use ADA Table 208.2 to calculate.

When calculating additional spaces needed, use whichever yields the larger number of spaces.

If you have different kinds of parking, e.g. lot, carport, and garages, each has to meet the standards individually.

If there is a separate amenity (e.g. a pavilion in the back corner of property) that provides non-accessible spaces, at least one space would need to be an accessible.

**Use this chart to indicate number of parking spaces provided.**

Enter the total number of parking spaces.

Enter the parking type and the number of spaces in each, starting with the surface lot (*see the example)

**Make sure the totals match!**

<table>
<thead>
<tr>
<th>Total # of Spaces:</th>
<th>169</th>
<th>Percentage of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface lot</td>
<td>160</td>
<td>0.946745562</td>
</tr>
<tr>
<td>Clubhouse</td>
<td>9</td>
<td>0.053254438</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>169</td>
<td>100</td>
</tr>
</tbody>
</table>

**EXAMPLE**

<table>
<thead>
<tr>
<th>Total # of Spaces:</th>
<th>450</th>
<th>Percentage of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface lot</td>
<td>300</td>
<td>0.666666667</td>
</tr>
<tr>
<td>Carports</td>
<td>100</td>
<td>0.222222222</td>
</tr>
<tr>
<td>Garages</td>
<td>50</td>
<td>0.111111111</td>
</tr>
<tr>
<td>Facility 4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facility 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>450</td>
<td>100</td>
</tr>
</tbody>
</table>

**Use this chart to figure out accessible parking requirements.**

Chart above must be completed first.

In C32, enter the total number of accessible spaces required

(see Application Webinar, Part 3, from 0:00 - 14:20, or webinar slides starting at slide 136)

In D33, enter the number of units required per accessible Unit in the surface lot

In column F, distribute required van spaces among the different parking facilities

<table>
<thead>
<tr>
<th># Accessible Spaces:</th>
<th>13</th>
<th>Distribution</th>
<th>Van Spaces</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface lot</td>
<td>12.307692</td>
<td>12</td>
<td>6</td>
</tr>
<tr>
<td>Club</td>
<td>0.6923077</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Carports</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Garages</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Facility 4</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Facility 5</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>13</td>
<td>13</td>
<td>7</td>
</tr>
</tbody>
</table>

**EXAMPLE**

<table>
<thead>
<tr>
<th># Accessible Spaces:</th>
<th>16</th>
<th>Distribution</th>
<th>Van Spaces</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface lot</td>
<td>10.6666667</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td>Carports</td>
<td>3.5555556</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Garages</td>
<td>1.7777778</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Facility 4</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Facility 5</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>16</td>
<td>16</td>
<td>3</td>
</tr>
</tbody>
</table>

By signing below, I (WE) certify that the information above meets the requirements in the 2010 ADA Standards for Accessible Design Title III regulations at 28 CFR part 36, subpart D, and the 2004 ADA Accessibility Guidelines at 36 CFR part 1191, appendices B and D. There will be at least one accessible spot per accessible unit located on the closest route to the accessible unit. For every 6 or fraction of 6 accessible spaces required, at least one will be van accessible. Accessible spaces will be dispersed amongst the parking types provided.

By: ____________________________

Signature

Date: 1-26-18

Printed Name:

[Signature]

Firm Name (if applicable): [Signature]

[Signature]
Accessible Parking Calculation

Include this worksheet in the Application (or a signed and certified worksheet provided by your accessibility professional that shows the calculations).

Parking requirements based on:


There must be one accessible space per accessible Unit located on the closest route to the Unit (ADA).

When parking is provided for leasing office and amenities, use ADA Table 208.2 to calculate.

When calculating additional spaces needed, use whichever yields the larger number of spaces.

If you have different kinds of parking, e.g. lot, carport, and garages, each has to meet the standards individually.

If there is a separate amenity (e.g. a pavilion in the back corner of property) that provides non-accessible spaces, at least one space would need to be an accessible.

Use this chart to indicate number of parking spaces provided.

- enter the total number of parking spaces
- enter the parking type and the number of spaces in each, starting with the surface lot (*see the example)

**make sure the totals match!**

<table>
<thead>
<tr>
<th>Total # of Spaces</th>
<th>Percentage of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface lot</td>
<td>170</td>
</tr>
<tr>
<td>Clubhouse</td>
<td>161</td>
</tr>
<tr>
<td></td>
<td>0.947058824</td>
</tr>
<tr>
<td></td>
<td>0.052941176</td>
</tr>
<tr>
<td></td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>170</td>
</tr>
<tr>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>

Use this chart to figure out accessible parking requirements.

**chart above must be completed first**

In C32, enter the total number of accessible spaces required

(see Application Webinar, Part 3, from 00:00 - 14:20, or webinar slides starting at slide 136)

In D33, enter the number of units required per accessible Unit in the surface lot

In column F, distribute required van spaces among the different parking facilities

<table>
<thead>
<tr>
<th># Accessible Spaces</th>
<th>Distribution</th>
<th>Van Spaces</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface lot</td>
<td>12.311765</td>
<td>12</td>
</tr>
<tr>
<td>Club</td>
<td>0.6882353</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>13</td>
<td>7</td>
</tr>
</tbody>
</table>

**EXAMPLE**

<table>
<thead>
<tr>
<th># Accessible Spaces</th>
<th>Distribution</th>
<th>Van Spaces</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface lot</td>
<td>10.666667</td>
<td>10</td>
</tr>
<tr>
<td>Carports</td>
<td>3.5555556</td>
<td>4</td>
</tr>
<tr>
<td>Garages</td>
<td>1.7777778</td>
<td>2</td>
</tr>
<tr>
<td>Facility 4</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Facility 5</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>16</td>
<td>3</td>
</tr>
</tbody>
</table>

By signing below, I (WE) certify that the information above meets the requirements in the 2010 ADA Standards for Accessible Design Title III regulations at 28 CFR part 36, subpart D, and the 2004 ADA Accessibility Guidelines at 36 CFR part 1191, appendices B and D. There will be at least one accessible spot per accessible unit located on the closest route to the accessible unit. For every 6 or fraction of 6 accessible spaces required, at least one will be van accessible. Accessible spaces will be dispersed amongst the parking types provided.

By: ___________________________
Signature

05.21.2018
Date

Printed Name: ___________________________
Michael Delgado

Firm Name (If applicable): ___________________________
Cross Architects
May 21, 2018

To: Mr. Ryan Combs
   Palladium USA International, Inc.
   13455 Noel Road #400
   Dallas, Texas 75240
   P: 972.774.4435

Re: Palladium-Farmersville
    Farmersville, Texas

Mr. Combs,

Per the attached Architect Certification for Palladium Farmersville, all accessibility requirements have been met for both the physically accessible and the hearing/visual impaired. Per the attached Unit Tabulation sheet, the total number of units for the project is 80, and of those, 4 units will be HC Accessible and 3 units will meet the requirements for hearing/visual impaired. The total number of parking spaces for the entire project is 170 spaces, and the total number of HC accessible parking spaces is 13. The total amount of ADA parking spaces meets all HC requirements and provides access to any part of the property.

Please contact our office with any questions or comments.

Best Regards,

[Signature]

Brian Rumsey, NCARB
Cross Architects, PLLC
Part 4 – Development Financing
(Tabs 24-35)
Rent Schedule

Unit types must be entered from smallest to largest based on "# of Bedrooms" and "Unit Size", then within the same "# of Bedrooms" and "Unit Size" from lowest to highest "Rent Collected/Unit".

Private Activity Bond Priority (For Tax-Exempt Bond Developments ONLY):

<table>
<thead>
<tr>
<th>Rent Designations (select from Drop down menu)</th>
<th>HTC Units</th>
<th>MF Direct Loan Units (HOME Rent/Inc)</th>
<th>National HTF Units</th>
<th>TDHCA MRB Units</th>
<th>Other/ Subsidy</th>
<th># of Units</th>
<th># of Bedrooms</th>
<th># of Baths</th>
<th>Unit Size (Net Rentable Sq. Ft.)</th>
<th>Total Net Rentable Sq. Ft.</th>
<th>Program Rent Limit</th>
<th>Tenant Paid Utility Allow.</th>
<th>Rent Collected /Unit</th>
<th>Total Monthly Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>TC 30%</td>
<td>2</td>
<td>1</td>
<td>1.0</td>
<td>804</td>
<td>1,608</td>
<td>413</td>
<td>37</td>
<td>376</td>
<td>752</td>
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</tr>
<tr>
<td>TC 50%</td>
<td>4</td>
<td>1</td>
<td>1.0</td>
<td>804</td>
<td>3,216</td>
<td>688</td>
<td>37</td>
<td>651</td>
<td>2,604</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>TC 60%</td>
<td>7</td>
<td>1</td>
<td>1.0</td>
<td>804</td>
<td>5,628</td>
<td>826</td>
<td>37</td>
<td>789</td>
<td>5,523</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MR</td>
<td>11</td>
<td>1</td>
<td>1.0</td>
<td>804</td>
<td>8,844</td>
<td>900</td>
<td>0</td>
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<tr>
<td>TC 30%</td>
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<td>2</td>
<td>2.0</td>
<td>960</td>
<td>960</td>
<td>495</td>
<td>45</td>
<td>450</td>
<td>450</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 50%</td>
<td>8</td>
<td>2</td>
<td>2.0</td>
<td>960</td>
<td>7,680</td>
<td>826</td>
<td>45</td>
<td>781</td>
<td>6,248</td>
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<td></td>
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<tr>
<td>TC 60%</td>
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<td>991</td>
<td>45</td>
<td>946</td>
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<td>MR</td>
<td>11</td>
<td>2</td>
<td>2.0</td>
<td>960</td>
<td>10,560</td>
<td>1,050</td>
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<td>1,050</td>
<td>11,550</td>
<td></td>
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</tr>
<tr>
<td>TC 30%</td>
<td>1</td>
<td>3</td>
<td>2.0</td>
<td>1154</td>
<td>1,154</td>
<td>572</td>
<td>58</td>
<td>514</td>
<td>514</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 50%</td>
<td>3</td>
<td>3</td>
<td>2.0</td>
<td>1154</td>
<td>3,462</td>
<td>954</td>
<td>58</td>
<td>896</td>
<td>2,688</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>TC 60%</td>
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<td>3</td>
<td>2.0</td>
<td>1154</td>
<td>8,078</td>
<td>1,145</td>
<td>58</td>
<td>1,087</td>
<td>7,609</td>
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<tr>
<td>MR</td>
<td>5</td>
<td>3</td>
<td>2.0</td>
<td>1154</td>
<td>5,770</td>
<td>1,200</td>
<td>0</td>
<td>1,200</td>
<td>6,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**PLEASE COMPLETE ALL FIELDS**

1) County: Collin
2) Place: Not Listed
3) Financing: No Housing Tax Credit
4) Project PI: Due of After 5/31/2017
5) Carpenters/ Carpenters Union: 
   Subaward Agreement Date: 

**INCOME LIMITS**

<table>
<thead>
<tr>
<th>Fi</th>
<th>Number of Household Members</th>
</tr>
</thead>
<tbody>
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</tr>
<tr>
<td>30</td>
<td>15,670</td>
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<td>40</td>
<td>20,000</td>
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<td>60</td>
<td>30,840</td>
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<tr>
<td>70</td>
<td>41,240</td>
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<tr>
<td>80</td>
<td>52,680</td>
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**RENT LIMITS**

<table>
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<tr>
<th>Fi</th>
<th>Number of Bedrooms</th>
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</thead>
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<tr>
<td>30</td>
<td>395</td>
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<td>60</td>
<td>771</td>
</tr>
<tr>
<td>70</td>
<td>1,023</td>
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<tr>
<td>80</td>
<td>1,102</td>
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</tbody>
</table>

**TOTAL**

| 80 | 76,160 | 72,758 |

Non Rental Income: $0.00 per unit/month for:
Non Rental Income: 18.29 per unit/month for:
Non Rental Income: 9.10 per unit/month for:

**Application, Pet, Late and NSF Fees**

Laundry, Vending, Cable

**TOTAL NONRENTAL INCOME**

2,191

**POTENTIAL GROSS MONTHLY INCOME**

1,463

**EFFECTIVE GROSS MONTHLY INCOME**

74,949

**= EFFECTIVE GROSS ANNUAL INCOME**

72,758

Total: 831,934
### Rent Schedule (Continued)

<table>
<thead>
<tr>
<th>% of Li</th>
<th>% of Total</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>TC30%</td>
<td>8%</td>
<td>5%</td>
</tr>
<tr>
<td>TC40%</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>TC50%</td>
<td>28%</td>
<td>19%</td>
</tr>
<tr>
<td>TC60%</td>
<td>64%</td>
<td>43%</td>
</tr>
<tr>
<td>HTC Li Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EO</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>MR</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td>MR Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Units</td>
<td></td>
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</tr>
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</table>

<table>
<thead>
<tr>
<th>% of Li</th>
<th>% of Total</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>MRB30%</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>MRB40%</td>
<td>0</td>
<td></td>
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<td>MRB50%</td>
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<td>MRB Li Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MRBMRR</td>
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<td></td>
</tr>
<tr>
<td>MRBMRR Total</td>
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<td></td>
</tr>
<tr>
<td>MRB Total</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>% of Li</th>
<th>% of Total</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>HTF30%</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>HTF40%</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>HTF50%</td>
<td>0</td>
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</tr>
<tr>
<td>HTF60%</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>HTF80%</td>
<td>0</td>
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</tr>
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<td>HTF Li Total</td>
<td></td>
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<tr>
<td>MR</td>
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<tr>
<td>MR Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HTF Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% of Li</th>
<th>% of Total</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>30%</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>LH/50%</td>
<td>0</td>
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</tr>
<tr>
<td>HH/60%</td>
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<td></td>
</tr>
<tr>
<td>HH/80%</td>
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<td></td>
</tr>
<tr>
<td>Direct Loan Li Total</td>
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<td></td>
</tr>
<tr>
<td>EO</td>
<td>0</td>
<td></td>
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<tr>
<td>MR</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>MR Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Loan Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### OTHER
- Total OT Units: 0

### BEDROOMS
- 0: 0
- 1: 24
- 2: 40
- 3: 16
- 4: 0
- 5: 0

### ACQUISITION + HARD
- Cost Per Sq Ft: **$105.15**

### HARD
- Cost Per Sq Ft: **$105.15**

### BUILDING
- Cost Per Sq Ft: **$86.51**

**DO NOT USE THIS CALCULATION TO SCORE POINTS UNDER 11.9(e)(2).** At the end of the Development Cost Schedule, you will have the ability to adjust your eligible costs to qualify. Points will be entered there.
Tab 25 – Utility Allowances
### Utility Allowances [§10.614]

Applicant must attach to this form as documentation to support the “Utility Allowance” estimate used in completing the Rent Schedule provided in the Application. Where the Applicant uses any method that requires Department review, such review must have been requested prior to submission of the Application. Please see 10 TAC §10.614. This exhibit must clearly indicate which utility costs are included in the estimate.

If tenants will be required to pay any other mandatory fees (e.g. renter’s insurance) please provide an estimate, description and documentation of those as well.

<table>
<thead>
<tr>
<th>Utility</th>
<th>Who Pays</th>
<th>Energy Source</th>
<th>0BR</th>
<th>1BR</th>
<th>2BR</th>
<th>3BR</th>
<th>4BR</th>
<th>Source of Utility Allowance &amp; Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heating</td>
<td>Tenant</td>
<td>Electric</td>
<td>$6</td>
<td>$6</td>
<td>$8</td>
<td></td>
<td></td>
<td>Approved HUD UA 1/18/18</td>
</tr>
<tr>
<td>Cooking</td>
<td>Tenant</td>
<td>Electric</td>
<td>$3</td>
<td>$5</td>
<td>$6</td>
<td></td>
<td></td>
<td>Approved HUD UA 1/18/18</td>
</tr>
<tr>
<td>Other Electric</td>
<td>Tenant</td>
<td>Electric</td>
<td>$13</td>
<td>$17</td>
<td>$22</td>
<td></td>
<td></td>
<td>Approved HUD UA 1/18/18</td>
</tr>
<tr>
<td>Air Conditioning</td>
<td>Tenant</td>
<td>Electric</td>
<td>$7</td>
<td>$7</td>
<td>$12</td>
<td></td>
<td></td>
<td>Approved HUD UA 1/18/18</td>
</tr>
<tr>
<td>Water Heater</td>
<td>Tenant</td>
<td>Electric</td>
<td>$8</td>
<td>$10</td>
<td>$9</td>
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<td></td>
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<td>Sewer</td>
<td>Tenant</td>
<td>Electric</td>
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</tr>
<tr>
<td>Flat Fee</td>
<td>Tenant</td>
<td>Electric</td>
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<td>Total Paid by Tenant</td>
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<td>$-</td>
<td>$37</td>
<td>$45</td>
<td>$58</td>
<td>$-</td>
<td></td>
</tr>
</tbody>
</table>

Other (Describe)

If a revised form is submitted, date of submission: ______________________
Dear Mr. Combs:

The Texas Department of Housing and Community Affairs has received a request submitted for proposed a 2018 Housing Tax Credit (“HTC”), located in Farmersville, to calculate the utility allowance using the HUD Utility Schedule Model in accordance with the 10TAC§10.614(k). This allowance is calculated based on the following representations:

1. That the buildings are not HUD-Regulated;
2. That the building(s) are not RHS assisted or have RHS assisted tenants;
3. That the residents are financially responsible for electricity and that the utility is not paid to or through the owner of the building based on an allocation formula or RUBS;
4. That the only building type is Apartments 5+; and,
5. The unit types are one, two, and three bedroom.

In accordance with Treasury Regulation §1.42-10, the utility allowance for those units occupied by Section 8 voucher holders remains the applicable Public Housing Authority utility allowance established from where the resident receives the assistance.

Please see attached schedule dated January 18, 2018. This allowance can be used for underwriting purposes. If you are successful in obtaining an allocation, to utilize the HUD Utility Schedule Model to establish the initial utility allowance for the Development, the Owner must submit utility allowance documentation for Department approval, at minimum, 90 days prior to the commencement of leasing activities.

If you have any further questions, please contact Cody Campbell toll free in Texas at (800) 643-8204, directly at (512) 475-4603, or email: cody.campbell@tdhca.state.tx.us.

Sincerely,

Cody Campbell
Compliance Administrator
<table>
<thead>
<tr>
<th>Utility or Service</th>
<th>0 BR</th>
<th>1 BR</th>
<th>2 BR</th>
<th>3 BR</th>
<th>4 BR</th>
<th>5 BR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Space Heating</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Natural Gas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bottled Gas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric Resistance</td>
<td>$6.42</td>
<td>$5.89</td>
<td>$7.84</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric Heat Pump</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fuel Oil</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cooking</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Natural Gas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bottled Gas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric</td>
<td>$3.32</td>
<td>$4.81</td>
<td>$6.30</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other Electric</strong></td>
<td>$12.55</td>
<td>$17.46</td>
<td>$22.37</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Air Conditioning</strong></td>
<td>$6.89</td>
<td>$6.75</td>
<td>$11.99</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Water Heating</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Natural Gas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bottled Gas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric</td>
<td>$7.71</td>
<td>$9.84</td>
<td>$9.25</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fuel Oil</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Water</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sewer</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Trash Collection</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Range/Microwave</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Refrigerator</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other - specify</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$36.90</td>
<td>$44.76</td>
<td>$57.75</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Allowance (Rounded Up)</strong></td>
<td>$37.00</td>
<td>$45.00</td>
<td>$58.00</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Tab 26 – Annual Operating Expenses
# Annual Operating Expenses

## General & Administrative Expenses

<table>
<thead>
<tr>
<th>Item</th>
<th>Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting</td>
<td>$10,000</td>
</tr>
<tr>
<td>Advertising</td>
<td>$15,350</td>
</tr>
<tr>
<td>Legal fees</td>
<td>$4,139</td>
</tr>
<tr>
<td>Leased equipment</td>
<td>$3,000</td>
</tr>
<tr>
<td>Postage &amp; office supplies</td>
<td>$5,741</td>
</tr>
<tr>
<td>Telephone</td>
<td>$6,500</td>
</tr>
<tr>
<td>Other Computer Related</td>
<td>$6,400</td>
</tr>
<tr>
<td>Other Compliance Consultant</td>
<td>$6,720</td>
</tr>
<tr>
<td><strong>Total General &amp; Administrative Expenses</strong></td>
<td><strong>$57,850</strong></td>
</tr>
</tbody>
</table>

## Management Fee

<table>
<thead>
<tr>
<th>Percentage of Effective Gross Income</th>
<th>Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.00%</td>
<td>$33,277</td>
</tr>
</tbody>
</table>

## Payroll, Payroll Tax & Employee Benefits

<table>
<thead>
<tr>
<th>Item</th>
<th>Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>$64,493</td>
</tr>
<tr>
<td>Maintenance</td>
<td>$68,257</td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td><strong>Total Payroll, Payroll Tax &amp; Employee Benefits</strong></td>
<td><strong>$132,750</strong></td>
</tr>
</tbody>
</table>

## Repairs & Maintenance

<table>
<thead>
<tr>
<th>Item</th>
<th>Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elevator</td>
<td></td>
</tr>
<tr>
<td>Exterminating</td>
<td>$977</td>
</tr>
<tr>
<td>Grounds</td>
<td>$6,025</td>
</tr>
<tr>
<td>Make-ready</td>
<td>$28,240</td>
</tr>
<tr>
<td>Repairs</td>
<td>$19,613</td>
</tr>
<tr>
<td>Pool</td>
<td>$1,629</td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td><strong>Total Repairs &amp; Maintenance</strong></td>
<td><strong>$56,484</strong></td>
</tr>
</tbody>
</table>

## Utilities (Enter Only Property Paid Expense)

<table>
<thead>
<tr>
<th>Item</th>
<th>Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric</td>
<td>$15,309</td>
</tr>
<tr>
<td>Natural gas</td>
<td></td>
</tr>
<tr>
<td>Trash</td>
<td>$5,863</td>
</tr>
<tr>
<td>Water/Sewer</td>
<td>$33,377</td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td><strong>Total Utilities</strong></td>
<td><strong>$54,549</strong></td>
</tr>
</tbody>
</table>

## Annual Property Insurance

<table>
<thead>
<tr>
<th>Rate per net rentable square foot</th>
<th>Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.29</td>
<td>$22,000</td>
</tr>
</tbody>
</table>

## Property Taxes

<table>
<thead>
<tr>
<th>Item</th>
<th>Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Published Capitalization Rate</td>
<td></td>
</tr>
<tr>
<td>Source</td>
<td></td>
</tr>
<tr>
<td>Annual Property Taxes</td>
<td>$80,000</td>
</tr>
<tr>
<td>Payments in Lieu of Taxes</td>
<td></td>
</tr>
<tr>
<td><strong>Total Property Taxes</strong></td>
<td><strong>$80,000</strong></td>
</tr>
</tbody>
</table>

## Reserve for Replacements

<table>
<thead>
<tr>
<th>Item</th>
<th>Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual reserves per unit</td>
<td>$250</td>
</tr>
<tr>
<td><strong>Total Reserve for Replacements</strong></td>
<td><strong>$20,000</strong></td>
</tr>
</tbody>
</table>

## Other Expenses

<table>
<thead>
<tr>
<th>Item</th>
<th>Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cable TV</td>
<td></td>
</tr>
<tr>
<td>Supportive Services</td>
<td></td>
</tr>
<tr>
<td>TDHCA Compliance fees</td>
<td>$2,120</td>
</tr>
<tr>
<td>TDHCA Bond Administration Fees (TDHCA as Bond Issuer Only)</td>
<td></td>
</tr>
<tr>
<td>Security</td>
<td></td>
</tr>
<tr>
<td>Other Franchise Tax</td>
<td>$1,646</td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td><strong>Total Other Expenses</strong></td>
<td><strong>$3,766</strong></td>
</tr>
</tbody>
</table>

## Total Annual Expenses

<table>
<thead>
<tr>
<th>Expense per unit</th>
<th>Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>$55.37%</td>
<td>$460,676</td>
</tr>
</tbody>
</table>

## Net Operating Income (before debt service)

<table>
<thead>
<tr>
<th>Expense per unit</th>
<th>Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5758</td>
<td>$371,258</td>
</tr>
</tbody>
</table>

## Annual Debt Service

<table>
<thead>
<tr>
<th>Item</th>
<th>Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Mortgage</td>
<td>$322,835</td>
</tr>
<tr>
<td><strong>Total Annual Debt Service</strong></td>
<td><strong>$322,835</strong></td>
</tr>
</tbody>
</table>

## Net Cash Flow

<table>
<thead>
<tr>
<th>Expense per unit</th>
<th>Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Coverage Ratio:</td>
<td>1.15</td>
</tr>
<tr>
<td><strong>Net Cash Flow</strong></td>
<td><strong>$48,423</strong></td>
</tr>
</tbody>
</table>

--

If a revised form is submitted, date of submission: ____________________________
Tab 27 – 15 Year Pro Forma
### INCOME

<table>
<thead>
<tr>
<th>Year</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 10</th>
<th>Year 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>POTENTIAL GROSS ANNUAL RENTAL INCOME</td>
<td>$873,096</td>
<td>$890,558</td>
<td>$908,369</td>
<td>$926,536</td>
<td>$945,067</td>
<td>$1,043,431</td>
<td>$1,152,032</td>
</tr>
<tr>
<td>Secondary Income</td>
<td>$26,292</td>
<td>$26,818</td>
<td>$27,354</td>
<td>$27,901</td>
<td>$28,459</td>
<td>$31,421</td>
<td>$34,692</td>
</tr>
<tr>
<td>POTENTIAL GROSS ANNUAL INCOME</td>
<td>$899,388</td>
<td>$917,376</td>
<td>$935,723</td>
<td>$954,438</td>
<td>$973,526</td>
<td>$1,074,852</td>
<td>$1,186,723</td>
</tr>
<tr>
<td>Provision for Vacancy &amp; Collection Loss</td>
<td>($67,454)</td>
<td>($68,803)</td>
<td>($70,179)</td>
<td>($71,583)</td>
<td>($73,014)</td>
<td>($80,614)</td>
<td>($89,004)</td>
</tr>
<tr>
<td>Rental Concessions</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>EFFECTIVE GROSS ANNUAL INCOME</td>
<td>$831,934</td>
<td>$848,573</td>
<td>$865,544</td>
<td>$882,855</td>
<td>$900,512</td>
<td>$994,238</td>
<td>$1,097,719</td>
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</tbody>
</table>

### EXPENSES

<table>
<thead>
<tr>
<th>Category</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 10</th>
<th>Year 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>General &amp; Administrative Expenses</td>
<td>$57,850</td>
<td>$59,586</td>
<td>$61,373</td>
<td>$63,214</td>
<td>$65,111</td>
<td>$75,481</td>
<td>$87,503</td>
</tr>
<tr>
<td>Management Fee</td>
<td>$33,277</td>
<td>$33,943</td>
<td>$34,621</td>
<td>$35,314</td>
<td>$36,020</td>
<td>$39,769</td>
<td>$43,908</td>
</tr>
<tr>
<td>Payroll, Payroll Tax &amp; Employee Benefits</td>
<td>$132,750</td>
<td>$136,733</td>
<td>$140,834</td>
<td>$145,060</td>
<td>$149,411</td>
<td>$173,209</td>
<td>$200,796</td>
</tr>
<tr>
<td>Repairs &amp; Maintenance</td>
<td>$56,484</td>
<td>$58,179</td>
<td>$59,924</td>
<td>$61,722</td>
<td>$63,573</td>
<td>$73,699</td>
<td>$85,437</td>
</tr>
<tr>
<td>Electric &amp; Gas Utilities</td>
<td>$15,309</td>
<td>$15,768</td>
<td>$16,241</td>
<td>$16,729</td>
<td>$17,230</td>
<td>$19,975</td>
<td>$23,156</td>
</tr>
<tr>
<td>Water, Sewer &amp; Trash Utilities</td>
<td>$39,240</td>
<td>$40,417</td>
<td>$41,630</td>
<td>$42,879</td>
<td>$44,165</td>
<td>$51,199</td>
<td>$59,354</td>
</tr>
<tr>
<td>Annual Property Insurance Premiums</td>
<td>$22,000</td>
<td>$22,660</td>
<td>$23,340</td>
<td>$24,040</td>
<td>$24,761</td>
<td>$28,705</td>
<td>$33,277</td>
</tr>
<tr>
<td>Property Tax</td>
<td>$80,000</td>
<td>$82,400</td>
<td>$84,872</td>
<td>$87,418</td>
<td>$90,041</td>
<td>$104,382</td>
<td>$121,007</td>
</tr>
<tr>
<td>Reserve for Replacements</td>
<td>$20,000</td>
<td>$20,600</td>
<td>$21,218</td>
<td>$21,855</td>
<td>$22,510</td>
<td>$26,095</td>
<td>$30,252</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>$3,766</td>
<td>$3,879</td>
<td>$3,995</td>
<td>$4,115</td>
<td>$4,239</td>
<td>$4,914</td>
<td>$5,696</td>
</tr>
<tr>
<td>TOTAL ANNUAL EXPENSES</td>
<td>$460,676</td>
<td>$474,164</td>
<td>$488,049</td>
<td>$502,344</td>
<td>$517,061</td>
<td>$597,428</td>
<td>$690,388</td>
</tr>
</tbody>
</table>

### NET OPERATING INCOME

<table>
<thead>
<tr>
<th>Year</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 10</th>
<th>Year 15</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$371,258</td>
<td>$374,409</td>
<td>$377,495</td>
<td>$380,511</td>
<td>$383,451</td>
<td>$396,810</td>
<td>$407,331</td>
</tr>
</tbody>
</table>

### DEBT SERVICE

By signing below I (we) are certifying that the above 15 Year pro forma is consistent with the unit rental rate assumptions, total operating expenses, net operating income, and debt service coverage based on the bank's current underwriting parameters and consistent with the loan terms indicated in the term sheet and preliminarily considered feasible pending further diligence review. The debt service for each year maintains no less than a 1.15 debt coverage ratio. (Signature only required if using this pro forma for points under §11.9(e)(1) relating to Financial Feasibility)

**Signed:**

<table>
<thead>
<tr>
<th>Signature, Authorized Representative, Construction or Permanent Lender</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date: 01/23/18</td>
</tr>
</tbody>
</table>

**Signed:**

<table>
<thead>
<tr>
<th>Signature, Authorized Representative, Syndicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date: 01/23/18</td>
</tr>
</tbody>
</table>

---

The pro forma should be based on the operating income and expense information for the base year (first year of stabilized occupancy using today's best estimates of market rents, restricted rents, rental income and expenses), and principal and interest debt service. The Department uses an annual growth rate of 2% for income and 3% for expenses. Written explanation for any deviations from these growth rates or for assumptions other than straight-line growth made during the proforma period should be attached to this exhibit.
Tab 28 – Offsite Costs

Breakdown
Off-Site Cost Breakdown

This form must be submitted with the Development Cost Schedule if the development has offsite costs, whether those costs are included in the budget as a line item, embedded in the acquisition costs, or referenced in utility provider letters. Therefore, the total costs listed on this worksheet may or may not exactly correspond with those off-site costs indicated on the Development Costs Schedule. However, all costs listed here should be able to be justified in another place in the application.

Column A: The offsite activity reflected here should correspond to the offsite activity reflected in the Development Cost Schedule or other supporting documentation.

Columns B and C: In determining actual construction cost, two different methods may be used:

Column D: To arrive at total construction costs in Column D:

Column E: Any proposed activity involving the acquisition of real property, easements, rights-of-way, etc., must have the projected costs of this acquisition for the activity.

Column F: Engineering/architectural costs must be broken out by the offsite work activity.

Column G: Figures for Column G, Total Activity Cost, are obtained by adding together Columns D, E, and F to get the total costs.

**ALL contingency must be included in the Contingency line item on the Development Cost Schedule and NOT on this form**

**This form must be completed by a professional engineer licensed to practice in the State of Texas. His or her signature and registration seal must be on the form.**

<table>
<thead>
<tr>
<th>A.</th>
<th>B.</th>
<th>C.</th>
<th>D.</th>
<th>E.</th>
<th>F.</th>
<th>G.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity</td>
<td>Labor or Unit Price</td>
<td>Materials or # of Units</td>
<td>Total Construction Costs</td>
<td>Acquisition Costs</td>
<td>Engineering / Architectural Costs</td>
<td>Total Activity Costs</td>
</tr>
<tr>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Lines 35-37 Hidden

Total

Signature of Registered Engineer
Responsible for Budget Justification

Printed Name

Date

If a revised form is submitted, date of submission:
Tab 29 – Site Work Costs
Breakdown
Site Work Cost Breakdown

This form must be submitted with the Development Cost Schedule as justification of Site Work costs.

Column A: The Site Work activity reflected here must match the Site Work activity reflected in the Development Cost Schedule.

Columns B and C: In determining actual construction cost, two different methods may be used:

- The construction costs may be broken into labor (Column B) and materials (Column C) for the activity; OR
- The use of unit price (Column B) and the number of units (Column C) data for the activity.

Column D: To arrive at total construction costs in Column D:

- If based on labor and materials, add Column B and Column C together to arrive at total construction costs.
- If based on unit price measures, Column B is multiplied by Column C to arrive at total construction costs.

Column E: Any proposed activity involving the acquisition of real property, easements, rights-of-way, etc., must have the projected costs of this acquisition for the activity.

Column F: Engineering/architectural costs must be broken out by the Site Work activity.

Column G: Figures for Column G, Total Activity Costs, are obtained by adding together Columns D, E, and F to get the total costs.

**This form must be completed by a Third-Party engineer licensed to practice in the State of Texas. His or her signature and registration seal must be on the form.**

For Site Work costs that exceed $15,000 per Unit and are included in Eligible Basis, a CPA letter allocating which portions of those site costs should be included in Eligible Basis and which ones may be ineligible must be submitted behind this tab.

<table>
<thead>
<tr>
<th>A.</th>
<th>B.</th>
<th>C.</th>
<th>D.</th>
<th>E.</th>
<th>F.</th>
<th>G.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity</td>
<td>Labor or Unit Price</td>
<td>Materials or # of Units</td>
<td>Total Construction Costs</td>
<td>Acquisition Costs</td>
<td>Engineering / Architectural Costs</td>
<td>Total Activity Costs</td>
</tr>
<tr>
<td>Rough Grading</td>
<td>$201,984.00</td>
<td></td>
<td></td>
<td></td>
<td>$201,984.00</td>
<td></td>
</tr>
<tr>
<td>Fine Grading</td>
<td>$40,288.00</td>
<td></td>
<td></td>
<td></td>
<td>$40,288.00</td>
<td></td>
</tr>
<tr>
<td>On-site concrete</td>
<td>$252,616.00</td>
<td></td>
<td></td>
<td></td>
<td>$252,616.00</td>
<td></td>
</tr>
<tr>
<td>On-site electrical</td>
<td>$60,704.00</td>
<td></td>
<td></td>
<td></td>
<td>$60,704.00</td>
<td></td>
</tr>
<tr>
<td>On-site utilities</td>
<td>$227,300.00</td>
<td></td>
<td></td>
<td></td>
<td>$227,300.00</td>
<td></td>
</tr>
<tr>
<td>Bumper Stops, striping &amp; signs</td>
<td>$7,622.00</td>
<td></td>
<td></td>
<td></td>
<td>$7,622.00</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>790,514</td>
</tr>
</tbody>
</table>

Signature of Registered Engineer: [Signature]

Printed Name: [Name]

Date: [Date]

Seal: [Seal]

If a revised form is submitted, date of submission: [Date]
Tab 30 – Development Cost Schedule
### Development Cost Schedule

This Development Cost Schedule must be consistent with the Summary Sources and Uses of Funds Statement. All Applications must complete the total development cost column and the Tax Payer Identification column. Only HTC applications must complete the Eligible Basis columns and the Requested Credit calculation below:

<table>
<thead>
<tr>
<th>TOTAL DEVELOPMENT SUMMARY</th>
<th>Eligible Basis (If Applicable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cost</td>
<td>Acquisition</td>
</tr>
</tbody>
</table>

#### ACQUISITION
- Site acquisition cost: $733,986
- Existing building acquisition cost
- Closing costs & acq. legal fees
- Other (specify) - see footnote 1
- Other - Broker Fees: $25,000

**Subtotal Acquisition Cost**

<table>
<thead>
<tr>
<th></th>
<th>Acquisition</th>
<th>New/Rehab.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$758,986</td>
<td>$0</td>
</tr>
</tbody>
</table>

#### OFF-SITES
- Off-site concrete
- Storm drains & devices
- Water & fire hydrants
- Off-site utilities
- Sewer lateral(s)
- Off-site paving
- Off-site electrical
- Other (specify) - see footnote 1
- Other (specify) - see footnote 1

**Subtotal Off-Sites Cost**

<table>
<thead>
<tr>
<th></th>
<th>Acquisition</th>
<th>New/Rehab.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

#### SITE WORK
- Demolition
- Asbestos Abatement (Demolition Only)
- Detention
- Rough grading: $201,984
- Fine grading: $40,288
- On-site concrete: $252,616
- On-site electrical: $60,704
- On-site paving
- On-site utilities: $227,300
- Decorative masonry
- Bumper stops, striping & signs: $7,622
- Other (specify) - see footnote 1

**Subtotal Site Work Cost**

<table>
<thead>
<tr>
<th></th>
<th>Acquisition</th>
<th>New/Rehab.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$790,514</td>
<td>$0</td>
</tr>
</tbody>
</table>

#### SITE AMENITIES
- Landscaping: $104,235
- Pool and decking: $159,502
- Athletic court(s), playground(s): $35,333
- Fencing: $99,686
- Other (specify) - see footnote 1

**Subtotal Site Amenities Cost**

<table>
<thead>
<tr>
<th></th>
<th>Acquisition</th>
<th>New/Rehab.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$398,756</td>
<td>$0</td>
</tr>
</tbody>
</table>

---

1. [Footnote 1](#)
2. [Footnote 2](#)
3. [Footnote 3](#)
**BUILDING COSTS**:  

<table>
<thead>
<tr>
<th>Description</th>
<th>Before 11.9(e)(2)</th>
<th>After 11.9(e)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concrete</td>
<td>1,089,082</td>
<td>1,089,082</td>
</tr>
<tr>
<td>Masonry</td>
<td>269,361</td>
<td>269,361</td>
</tr>
<tr>
<td>Metals</td>
<td>149,405</td>
<td>149,405</td>
</tr>
<tr>
<td>Woods and Plastics</td>
<td>1,578,740</td>
<td>1,578,740</td>
</tr>
<tr>
<td>Thermal and Moisture Protection</td>
<td>93,374</td>
<td>93,374</td>
</tr>
<tr>
<td>Roof Covering</td>
<td>174,305</td>
<td>174,305</td>
</tr>
<tr>
<td>Doors and Windows</td>
<td>394,324</td>
<td>394,324</td>
</tr>
<tr>
<td>Finishes</td>
<td>133,053</td>
<td>133,053</td>
</tr>
<tr>
<td>Specialties</td>
<td>56,027</td>
<td>56,027</td>
</tr>
<tr>
<td>Equipment</td>
<td>250,119</td>
<td>250,119</td>
</tr>
<tr>
<td>Furnishings</td>
<td>220,821</td>
<td>220,821</td>
</tr>
<tr>
<td>Special Construction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conveying Systems (Elevators)</td>
<td>1,044,093</td>
<td>1,044,093</td>
</tr>
<tr>
<td>Mechanical (HVAC; Plumbing)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electrical</td>
<td>794,462</td>
<td>794,462</td>
</tr>
</tbody>
</table>

**Individually itemize costs below:**  

<table>
<thead>
<tr>
<th>Description</th>
<th>Before 11.9(e)(2)</th>
<th>After 11.9(e)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detached Community Facilities/Building</td>
<td>341,071</td>
<td>341,071</td>
</tr>
<tr>
<td>Carports and/or Garages</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lead-Based Paint Abatement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asbestos Abatement (Rehabilitation Only)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Structured Parking</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial Space Costs</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Contingency**  

<table>
<thead>
<tr>
<th>Description</th>
<th>Before 11.9(e)(2)</th>
<th>After 11.9(e)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contingency</td>
<td>5.00%</td>
<td>5.00%</td>
</tr>
</tbody>
</table>

**Subtotal Building Costs**  

<table>
<thead>
<tr>
<th>Description</th>
<th>Before 11.9(e)(2)</th>
<th>After 11.9(e)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subtotal Building Costs Before 11.9(e)(2)</td>
<td>$6,588,237</td>
<td>$0</td>
</tr>
</tbody>
</table>

**Voluntary Eligible Building Costs (After 11.9(e)(2))**  

<table>
<thead>
<tr>
<th>Description</th>
<th>Before 11.9(e)(2)</th>
<th>After 11.9(e)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voluntary Eligible Building Costs</td>
<td>$72.75 psf</td>
<td>$5,540,640</td>
</tr>
</tbody>
</table>

**TOTAL BUILDING COSTS & SITE WORK**  

<table>
<thead>
<tr>
<th>Description</th>
<th>Before 11.9(e)(2)</th>
<th>After 11.9(e)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL BUILDING COSTS &amp; SITE WORK (including site amenities)</td>
<td>$7,777,507</td>
<td>$0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Before 11.9(e)(2)</th>
<th>After 11.9(e)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contingency</td>
<td>5.00%</td>
<td>5.00%</td>
</tr>
</tbody>
</table>

**TOTAL HARD COSTS**  

<table>
<thead>
<tr>
<th>Description</th>
<th>Before 11.9(e)(2)</th>
<th>After 11.9(e)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL HARD COSTS</td>
<td>$8,166,382</td>
<td>$0</td>
</tr>
</tbody>
</table>

**OTHER CONSTRUCTION COSTS**  

<table>
<thead>
<tr>
<th>Description</th>
<th>Before 11.9(e)(2)</th>
<th>After 11.9(e)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General requirements (&lt;6%)</td>
<td>5.71%</td>
<td>466,650</td>
</tr>
<tr>
<td>Field supervision (within GR limit)</td>
<td>1.90%</td>
<td>155,550</td>
</tr>
<tr>
<td>Contractor profit (&lt;6%)</td>
<td>5.71%</td>
<td>466,650</td>
</tr>
</tbody>
</table>

**TOTAL CONTRACTOR FEES**  

<table>
<thead>
<tr>
<th>Description</th>
<th>Before 11.9(e)(2)</th>
<th>After 11.9(e)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL CONTRACTOR FEES</td>
<td>$1,088,850</td>
<td>$0</td>
</tr>
</tbody>
</table>

**TOTAL CONSTRUCTION CONTRACT**  

<table>
<thead>
<tr>
<th>Description</th>
<th>Before 11.9(e)(2)</th>
<th>After 11.9(e)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL CONSTRUCTION CONTRACT Before 11.9(e)(2)</td>
<td>$9,255,232</td>
<td>$0</td>
</tr>
</tbody>
</table>

**Voluntary Eligible "Hard Costs" (After 11.9(e)(2))**  

<table>
<thead>
<tr>
<th>Description</th>
<th>Before 11.9(e)(2)</th>
<th>After 11.9(e)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voluntary Eligible &quot;Hard Costs&quot;</td>
<td>$105.17 psf</td>
<td>$8,009,592</td>
</tr>
</tbody>
</table>

*To score points under §11.9(e)(2) related to Cost of Development per Square Foot, the Voluntary Eligible Building Costs OR the Voluntary Eligible Hard Costs indicated above must fall within the required thresholds. If voluntary costs are not entered, staff will consider the Subtotal Building Cost or the Total Construction Contract costs, as applicable. Enter score for Building OR Hard Costs at end of form.
### SOFT COSTS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount 1</th>
<th>Amount 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Architectural - Design fees</td>
<td>181,200</td>
<td>181,200</td>
</tr>
<tr>
<td>Architectural - Supervision fees</td>
<td>24,000</td>
<td>24,000</td>
</tr>
<tr>
<td>Engineering fees</td>
<td>49,523</td>
<td>49,523</td>
</tr>
<tr>
<td>Real estate attorney/other legal fees</td>
<td>75,000</td>
<td>37,500</td>
</tr>
<tr>
<td>Accounting fees</td>
<td>45,000</td>
<td>45,000</td>
</tr>
<tr>
<td>Impact Fees</td>
<td>149,923</td>
<td>149,923</td>
</tr>
<tr>
<td>Building permits &amp; related costs</td>
<td>92,775</td>
<td>92,775</td>
</tr>
<tr>
<td>Appraisal</td>
<td>8,000</td>
<td>8,000</td>
</tr>
<tr>
<td>Market analysis</td>
<td>11,000</td>
<td>11,000</td>
</tr>
<tr>
<td>Environmental assessment</td>
<td>6,950</td>
<td>6,950</td>
</tr>
<tr>
<td>Soils report</td>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Survey</td>
<td>12,500</td>
<td>12,500</td>
</tr>
<tr>
<td>Marketing</td>
<td>97,339</td>
<td>97,339</td>
</tr>
<tr>
<td>Hazard &amp; liability insurance</td>
<td>9,000</td>
<td>9,000</td>
</tr>
<tr>
<td>Real property taxes</td>
<td>40,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Personal property taxes</td>
<td>40,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reimbursables</td>
<td>10,000</td>
<td></td>
</tr>
<tr>
<td>FF&amp;E</td>
<td>150,000</td>
<td>150,000</td>
</tr>
<tr>
<td><strong>Subtotal Soft Cost</strong></td>
<td>$956,210</td>
<td>$0</td>
</tr>
</tbody>
</table>

### FINANCING:

#### CONSTRUCTION LOAN(S)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount 1</th>
<th>Amount 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>240,000</td>
<td>168,000</td>
</tr>
<tr>
<td>Loan origination fees</td>
<td>58,637</td>
<td>58,637</td>
</tr>
<tr>
<td>Title &amp; recording fees</td>
<td>53,129</td>
<td>53,129</td>
</tr>
<tr>
<td>Closing costs &amp; legal fees</td>
<td>28,000</td>
<td>28,000</td>
</tr>
<tr>
<td>Inspection fees</td>
<td>40,500</td>
<td>40,500</td>
</tr>
<tr>
<td>Credit Report</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discount Points</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### PERMANENT LOAN(S)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan origination fees</td>
<td>53,306</td>
</tr>
<tr>
<td>Title &amp; recording fees</td>
<td></td>
</tr>
<tr>
<td>Closing costs &amp; legal</td>
<td>35,000</td>
</tr>
<tr>
<td>Bond premium</td>
<td></td>
</tr>
<tr>
<td>Credit report</td>
<td></td>
</tr>
<tr>
<td>Discount points</td>
<td></td>
</tr>
<tr>
<td>Credit enhancement fees</td>
<td></td>
</tr>
<tr>
<td>Prepaid MIP</td>
<td></td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
</tr>
</tbody>
</table>

#### BRIDGE LOAN(S)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>50,000</td>
</tr>
<tr>
<td>Loan origination fees</td>
<td>22,446</td>
</tr>
<tr>
<td>Title &amp; recording fees</td>
<td></td>
</tr>
<tr>
<td>Closing costs &amp; legal</td>
<td></td>
</tr>
</tbody>
</table>
### OTHER FINANCING COSTS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax credit fees</td>
<td>36,502</td>
</tr>
<tr>
<td>Tax and/or bond counsel</td>
<td></td>
</tr>
<tr>
<td>Payment bonds</td>
<td></td>
</tr>
<tr>
<td>Performance bonds</td>
<td>70,876</td>
</tr>
<tr>
<td>Credit enhancement fees</td>
<td></td>
</tr>
<tr>
<td>Mortgage insurance premiums</td>
<td></td>
</tr>
<tr>
<td>Cost of underwriting &amp; issuance</td>
<td></td>
</tr>
<tr>
<td>Syndication organizational cost</td>
<td></td>
</tr>
<tr>
<td>Tax opinion</td>
<td></td>
</tr>
<tr>
<td>Equity Investor Legal</td>
<td>35,000</td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td>17,500</td>
</tr>
</tbody>
</table>

**Subtotal Financing Cost:** $723,396

### DEVELOPER FEES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing consultant fees</td>
<td></td>
</tr>
<tr>
<td>General &amp; administrative</td>
<td></td>
</tr>
<tr>
<td>Profit or fee</td>
<td></td>
</tr>
</tbody>
</table>

**Subtotal Developer Fees:** 15.21% $1,590,088

### RESERVES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent-up</td>
<td></td>
</tr>
<tr>
<td>Operating</td>
<td>391,755</td>
</tr>
<tr>
<td>Replacement</td>
<td></td>
</tr>
<tr>
<td>Escrows</td>
<td></td>
</tr>
</tbody>
</table>

**Subtotal Reserves:** $391,755

### TOTAL HOUSING DEVELOPMENT COSTS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Subtotal:** $13,675,667

### Requested Score for 11.9(e)(2)

**12**

**Name of contact for Cost Estimate:** Scott Johnson

**Phone Number for Contact:** 972-774-4450

---

**The following calculations are for HTC Applications only.**

#### Deduct From Basis:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal grants used to finance costs in Eligible Basis</td>
<td></td>
</tr>
<tr>
<td>Non-qualified non-recourse financing</td>
<td></td>
</tr>
<tr>
<td>Non-qualified portion of higher quality units §42(d)(5)</td>
<td></td>
</tr>
<tr>
<td>Historic Credits (residential portion only)</td>
<td></td>
</tr>
</tbody>
</table>

**Total Eligible Basis:** $0 $10,757,037

**High Cost Area Adjustment (100% or 130%)** 130%

**Total Adjusted Basis:** $0 $13,984,148

**Applicable Fraction** 66%

**Total Qualified Basis:** $9,264,498 $0 $9,264,498

**Applicable Percentage** 9.00%

**Credits Supported by Eligible Basis**  
(May be greater than actual request)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Credits Supported by Eligible Basis:** $833,805 $0 $833,805

---

**(May be greater than actual request)**

*11.9(c)(2) Cost Per Square Foot: DO NOT ROUND! Applicants are advised to ensure that figure is not rounding down to the maximum dollar figure to support the elected points.*
Tab 31 – Financing Narrative and Summary of Sources and Uses
### Financing Narrative and Summary of Sources and Uses

Describe all sources of funds. Information must be consistent with the information provided throughout the Application (i.e. Financing Narrative, Term Sheets and Development Cost Schedule).

<table>
<thead>
<tr>
<th>Financing Participants</th>
<th>Funding Description</th>
<th>Construction Period</th>
<th>Lien Position</th>
<th>Permanent Period</th>
<th>Lien Position</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Loan/Equity Amount</td>
<td>Interest Rate (%)</td>
<td>Loan/Equity Amount</td>
<td>Interest Rate (%)</td>
</tr>
<tr>
<td>TDHCA</td>
<td>MF Direct Loan Const. to Perm. (Repayable)</td>
<td>$0</td>
<td>0.00%</td>
<td>$-</td>
<td>0.00%</td>
</tr>
<tr>
<td>TDHCA</td>
<td>MF Direct Loan Const. Only (Repayable)</td>
<td>$0</td>
<td>0.00%</td>
<td>$-</td>
<td>0.00%</td>
</tr>
<tr>
<td>TDHCA</td>
<td>Multifamily Direct Loan (Soft Repayable)</td>
<td>$0</td>
<td>0.00%</td>
<td>$-</td>
<td>0.00%</td>
</tr>
<tr>
<td>Regions Bank</td>
<td>Conventional Loan</td>
<td>$5,330,600</td>
<td>4.56%</td>
<td>$5,330,600</td>
<td>5.00%</td>
</tr>
<tr>
<td>Regions Bank</td>
<td>Conventional Loan</td>
<td>$4,490,000</td>
<td>4.56%</td>
<td>$-</td>
<td>0.00%</td>
</tr>
<tr>
<td></td>
<td>HTC</td>
<td>$833,805</td>
<td>$2,639,053</td>
<td>$7,586,865</td>
<td>0.91</td>
</tr>
<tr>
<td>City of Farmersville</td>
<td>Local Government Grant</td>
<td>$500</td>
<td>$500</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

#### Third Party Equity

| Regions Bank           | HTC | $833,805 | $2,639,053 | $7,586,865 | 0.91 |

#### Grant

| City of Farmersville   | Local Government Grant | $500 | $500 |

#### Deferred Developer Fee

| Palladium USA          | $1,215,514 | $757,702 |

#### Other

| Direct Loan Match      | $1,215,514 | $757,702 |

| Total Sources of Funds | $13,675,667 | $13,675,667 |
| Total Uses of Funds    | $13,675,667 | $13,675,667 |
INSTRUCTIONS: Describe the sources of funds that will finance Development. The description must include construction, permanent, and bridge loans, and all other types of funds to be used for development. The information must be consistent with all other documentation in this section. Provide sufficient detail to identify the source and explain the use (in terms of the timing and any specific uses) of each type of funds to be contributed. In addition, describe/explain replacement reserves. Finally, describe/explain operating items. The narrative must include rents, operating subsidies, project based assistance, and all other sources of funds for operations. In the foregoing discussion of both development and operating funds, specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments.

Describe the sources and uses of funds (specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments). For Direct Loan or Tax-Exempt Bond Applications that contemplate an FHA-insured loan, this includes the anticipated date that FHA application will be submitted to HUD (if not already submitted).

Regions Bank has offered to provide the equity for the development. They will provide the development with $7,586,865 in equity paid in 15% at closing, 78% at construction completion and the balance upon stabilization and receipt of 8609. This equity amount is based on a credit price of $0.91 per credit. Regions Bank will also provide construction and a permanent loan to the development in the amount of $5,330,600 at an anticipated interest rate of 3% plus 30-day libor for the construction and 5% for the perm, 15 year term and 35 year amortization period. Regions Bank will also provide a Bridge Loan of $4,490,000 paid in during the construction period at an interest rate of 3% plus the 30-day libor. The developer will defer approximately $757,702 (47.65%) of developer fee. The City of Farmersville is contributing $500 of a government grant in the form of fee waivers. Palladium Farmersville will pursue all local permitting by summer of 2018 with an anticipated loan/equity closing date.

Describe the replacement reserves:

Regions Bank equity LOI (LOI attached to this Application) provide for an on-going annual replacement reserve in the amount of $250 per unit.

Describe the operating items (rents, operating subsidies, project based assistance, etc., and specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments:

Palladium Farmersville is not anticipating any project based assistance or other operating subsidies. The north Texas area, including Farmersville, is experiencing rapid growth and we therefore have placed 27 market rate units in the development in order to better serve a wider market of potential residents.

By signing below I acknowledge that the amounts and terms of all anticipated sources of funds as stated above are consistent with the assumptions of my institution as one of the providers of funds.

Signature, Authorized Representative, Construction or Permanent Lender

Printed Name

Date

Telephone: (214) 220-6171

Email address: davidn.payne@regions.com

If a revised form is submitted, date of submission: ____________________________
Tab 32 – Financial Capacity
(Multifamily Direct Loan Applications Only)

NOT APPLICABLE
Tab 33 – Matching Funds
(Multifamily Direct Loan Applications Only)

NOT APPLICABLE
Tab 34 – Finance Scoring
### 1. Commitment of Development Funding by Local Political Subdivision (§11.9(d)(2))

Name of the Local Political Subdivision providing the funding:  
City of Farmersville

- [x] A letter from an official of the political subdivision stating that the political subdivision will provide a loan, grant, reduced fees or contribution of other value type, and the terms under which it will be provided is in the application.
- [x] The dollar value of the contribution must be in the letter and must equal $500 or more if Urban and $250 or more if Rural or USDA.
- [x] The commitment of development funding is reflected in the Application as a financial benefit to the Development, i.e. reported as a source of funds on the Sources and Uses Form and/or reflected in a lower cost in the Development Cost Schedule, such as notation of a reduction in building permits and related costs.

**Total Points Claimed:** 1

### 2. Financial Feasibility (§11.9(e)(1))

- [ ] Eligible Pro-Forma and letter stating the Development is financially feasible.  
  0  
- [x] Eligible Pro-Forma and letter stating Development and Principals are acceptable.  
  18  

**Total Points Claimed:** 18

### 3. Leveraging of Private, State, and Federal Resources (§2306.6725(a)(3); §11.9(e)(4))

- Percent of Units restricted to serve households at or below 30% of AMGI  
  5.00%  
- HTC funding request as a percent of Total Housing Development Cost  
  6.10%

**Eligibility for points:**

- [ ] Development Leverages CDBG Disaster Recovery, HOPE VI, RAD or Choice Neighborhood Funding  
  0  
- Housing Tax Credit Request  
  3  
- Housing Tax Credit Request  
  2  
- Housing Tax Credit Request  
  1

* Be sure no more than 50% of Developer fees are deferred.

**Total Points Claimed:** 3
Tab 35 – Supporting Documentation
## 15 Year Rental Housing Operating Pro Forma (All Programs)

The pro forma should be based on the operating income and expense information for the base year (first year of stabilized occupancy using today’s best estimates of market rents, restricted rents, rental income and expenses), and principal and interest debt service. The Department uses an annual growth rate of 2% for income and 3% for expenses. Written explanation for any deviations from these growth rates or for assumptions other than straight-line growth made during the pro forma period should be attached to this exhibit.

### INCOME

<table>
<thead>
<tr>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
<th>YEAR 4</th>
<th>YEAR 5</th>
<th>YEAR 10</th>
<th>YEAR 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>POTENTIAL GROSS ANNUAL RENTAL INCOME $ \text{873,096} $59,558 $908,369 $926,536 $945,067 $1,043,431 $1,152,032</td>
<td></td>
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<tr>
<td>Secondary Income $ \text{26,292} $68,803 $27,354 $27,901 $28,459 $31,421 $34,692</td>
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<tr>
<td>EFFECTIVE GROSS ANNUAL INCOME $ \text{899,388} $59,558 $908,369 $926,536 $945,067 $1,043,431 $1,152,032</td>
<td></td>
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</tr>
<tr>
<td>Provision for Vacancy &amp; Collection Loss ($ \text{67,454} $59,558 $70,179 $71,583 $73,014 $80,614 $89,004</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Rental Concessions $0</td>
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</tbody>
</table>

### EXPENSES

<table>
<thead>
<tr>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
<th>YEAR 4</th>
<th>YEAR 5</th>
<th>YEAR 10</th>
<th>YEAR 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>General &amp; Administrative Expenses $ \text{57,850} $61,373 $63,214 $65,111 $67,454</td>
<td></td>
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</tr>
<tr>
<td>Management Fee $ \text{33,277} $34,621 $36,020 $37,573 $39,769 $43,098</td>
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<tr>
<td>Payroll, Payroll Tax &amp; Employee Benefits $ \text{132,750} $140,834 $145,060 $149,411 $173,209 $200,796</td>
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</tr>
<tr>
<td>Repairs &amp; Maintenance $ \text{56,484} $61,722 $63,573 $65,111 $73,699 $85,437</td>
<td></td>
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</tr>
<tr>
<td>Electric &amp; Gas Utilities $ \text{15,309} $16,241 $16,729 $17,230 $19,975 $23,156</td>
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<tr>
<td>Water, Sewer &amp; Trash Utilities $ \text{39,240} $41,630 $42,879 $44,165 $51,199 $59,354</td>
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</tr>
<tr>
<td>Annual Property Insurance Premiums $ \text{22,000} $23,340 $24,040 $24,761 $28,705 $33,277</td>
<td></td>
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<tr>
<td>Property Tax $ \text{80,000} $84,872 $87,418 $90,041 $104,382 $121,007</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Reserve for Replacements $ \text{20,000} $21,218 $21,855 $22,510 $26,095 $30,252</td>
<td></td>
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</tr>
<tr>
<td>Other Expenses $ \text{3,766} $3,995 $4,115 $4,239 $4,914 $5,696</td>
<td></td>
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<tr>
<td>TOTAL ANNUAL EXPENSES $ \text{460,676} $488,049 $502,044 $517,061 $597,428 $690,388</td>
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<tr>
<td>NET OPERATING INCOME $ \text{371,258} $377,495 $380,511 $383,451 $396,810 $407,331</td>
<td></td>
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</tr>
</tbody>
</table>

### DEBT SERVICE

<table>
<thead>
<tr>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
<th>YEAR 4</th>
<th>YEAR 5</th>
<th>YEAR 10</th>
<th>YEAR 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Deed of Trust Annual Loan Payment $ \text{322,835} $322,835 $322,835 $322,835 $322,835 $322,835</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Second Deed of Trust Annual Loan Payment</td>
<td></td>
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<tr>
<td>Third Deed of Trust Annual Loan Payment</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Other Annual Required Payment</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL ANNUAL NET CASH FLOW $ \text{48,423} $54,660 $57,676 $60,616 $73,975 $84,496</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>CUMULATIVE NET CASH FLOW $ \text{48,423} $55,157 $54,660 $57,676 $60,616 $73,975 $84,496</td>
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<td></td>
</tr>
</tbody>
</table>

### Net Operating Income

<table>
<thead>
<tr>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
<th>YEAR 4</th>
<th>YEAR 5</th>
<th>YEAR 10</th>
<th>YEAR 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Coverage Ratio 1.15 1.16 1.17 1.18 1.19 1.23 1.26</td>
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</tbody>
</table>

By signing below I (we) are certifying that the above 15 Year pro forma, is consistent with the unit rental rate assumptions, total operating expenses, net operating income, and debt service coverage based on the bank’s current underwriting parameters and consistent with the loan terms indicated in the term sheet and preliminarily considered feasible pending further diligence review. The debt service for each year maintains no less than a 1.15 debt coverage ratio. (Signature only required if using this pro forma for points under §11.9(e)(1) relating to Financial Feasibility)

---

**Signature, Authorized Representative, Construction or Permanent Lender**

David N. Payne
01/23/18
(davidn.payne@regions.com)

**Signature, Authorized Representative, Syndicator**

David N. Payne
01/23/18

---

If a revised form is submitted, date of submission:
Excerpt from Debt letter regarding approval of Principals
percent (5.00%) per annum, and the actual financing costs of the First Mortgage Loan, including the swap rate (if any) and all other costs. This covenant shall be tested annually thereafter.

15. The Company must maintain a ratio of the remaining principal amount of the First Mortgage Loan to Value of no more than eighty percent (80%) during the term of the First Mortgage Loan. Value shall mean the fair market value of the Project without considering the value of the Federal Housing Tax Credits as determined by an appraiser selected by the Bank, which appraisal shall be subject to the review and approval of the Bank. The Bank shall have the right to order a new appraisal at any time during the term of the First Mortgage Loan and the Bridge Loan, and the Company will agree to pay for one additional appraisal during the term. In the event that the ratio of the remaining principal amount of the First Mortgage Loan to Value ever exceeds eighty percent (80%), the Company shall immediately deposit with the Bank, as additional collateral, an amount which will bring the remaining principal amount of the First Mortgage Loan into compliance with this covenant.

DOCUMENTATION OF THE LOAN: The Bank shall be furnished with such loan and security instruments, as the Bank shall deem necessary for its protection under this letter of intent including representations and warranties and covenants (affirmative and negative) customary for transactions of this type. All documentation shall be satisfactory to the Bank and its legal counsel, Liles & Rushin, LLC. Without limiting the generality of the foregoing, the Bank and the Company will enter into a Credit Agreement that will provide for financial reporting and tax returns for the Company and each Credit Guarantor will execute and deliver to the Bank the Credit Guaranty Agreement that will provide for financial reporting and tax returns as required by the Bank.

INFORMATION: The Bank has issued this letter of intent based upon the information supplied by the Company. The Bank has the right to cancel this letter of intent, whereupon the Bank shall have no obligations hereunder, in the event of: (i) a material adverse change in the financial condition, operations, management, prospects or ownership of (A) the Company, (B) the General Partner or (C) any Credit Guarantor; (ii) a material adverse change in the accuracy of the information, representations, exhibits or other materials submitted by the Company in connection with its request for financing; or (iii) (A) loss of, (B) damage to, (C) a taking of, (D) or the presence of any hazardous substances at, or on, the Property. The requirements of this letter of intent include, but are not limited to: (i) receipt of satisfactory financial statements of (A) the General Partner(s), (B) the Company and (C) the Credit Guarantors (not more than six months old); (ii) receipt of a satisfactory third party market study setting forth (A) capture rate, (B) absorption rate and (C) demand analysis consistent with the Bank’s underwriting standards; (iii) satisfactory site inspection by the Bank and the Construction Consultant; and (iv) satisfactory review of the background and credit worthiness of (A) the General Partner(s) and (B) the Credit Guarantors.

ASSESSMENT OF FEASIBILITY: We have received and reviewed the Applicant 15 year pro forma for Palladium Farmersville located in Farmersville, TX. The attached pro forma, which has been reviewed by an authorized representative of Regions Bank is consistent with the unit rental rate assumptions, total operating expenses, net operating income, and debt service coverage based on Regions Bank current underwriting parameters and consistent with the loan terms indicated in the term sheet and is preliminarily considered feasible, pending further diligence review. The debt service for each year maintains no less than a 1.15 debt coverage ratio.

The attached pro forma indicates that the development would maintain no less than a 1.15x debt service coverage ratio throughout the initial fifteen years. These projections, which indicate that the Development is expected to be feasible for fifteen years, are made based on the preliminary information provided by the borrower to this point, and are subject to Regions due diligence review.

CREDIT WORTHINESS: Additionally, Regions Bank has performed a preliminary review of the credit worthiness of Palladium Farmersville, Ltd., Palladium Farmersville GP, LLC, The Land Experts, and Palladium USA, Inc. At this time, Regions Bank has reviewed the development and principals and has no reservations with
the development or any of the principals of the borrower. We anticipate no additional guarantors or financial strength will be needed to facilitate a loan to this borrower, other than those requirements disclosed herein.

ACKNOWLEDGMENT OF THE AMOUNTS AND TERMS OF ALL OTHER ANTICIPATED SOURCES OF FUNDS: In addition to the Construction Loan of $5,330,600, the First Mortgage Loan of $5,330,600, the Bridge Loan of $4,490,000 there will be a City of Farmersville Fee Waiver in the amount of $500, Equity contributions in the amount of $7,586,865, and Deferred Developer Fee in the amount of $757,702.

EXPENSES: By the Company’s acceptance of this letter of intent, the Company and each Credit Guarantor unconditionally agrees to pay all expenses incurred by the Bank in connection with the underwriting, closing, servicing or collection of the First Mortgage Loan and Bridge Loan including, but not limited to, legal fees of the Bank’s legal counsel, loan origination fees, appraisal fees, insurance premiums, survey costs, title insurance premiums, other insurance premiums, intangible taxes, other taxes, mortgage taxes, transfer taxes, recording costs and all license and permit fees, whether or not the First Mortgage Loan and the Bridge Loan actually closes.

CUSTOMER IDENTIFICATION PROGRAM - IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask you for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver’s license or other identifying documents.

THIS LETTER OF INTENT DOES NOT, NOR DOES IT INTEND TO, CONTAIN ALL OF THE TERMS AND CONDITIONS OF THE PROPOSED TRANSACTION. THIS LETTER OF INTENT IS SUBJECT TO THE CUSTOMARY DUE DILIGENCE PROCESS OF THE BANK AND ITS LEGAL COUNSEL. THE BANK RESERVES THE RIGHT TO REQUIRE OTHER INFORMATION AND DOCUMENTS AS OUR COUNSEL AND THE BANK REQUIRE. THE BANK RESERVES THE RIGHT TO MAKE MODIFICATIONS TO THE CLOSING OR DUE DILIGENCE CHECKLIST. FURTHERMORE, CHANGES MAY BE MADE TO THIS LETTER OF INTENT DURING THE DUE DILIGENCE REVIEW PROCESS OR AT THE REQUEST OF, OR RECOMMENDATION OF, THE BANK’S COUNSEL, LILES & RUSHIN, LLC.

THIS LETTER OF INTENT WILL EXPIRE IF NOT ACCEPTED BY THE GENERAL PARTNER, ON BEHALF OF THE COMPANY, AND THE CREDIT GUARANTORS BY MARCH 1, 2018. IF THIS LETTER OF INTENT IS ACCEPTED BY MARCH 1, 2018, IT WILL TERMINATE IF THE TRANSACTIONS CONTEMPLATED HEREBY ARE NOT CLOSED WITHIN ONE HUNDRED TWENTY (120) DAYS OF THE AWARD OF FEDERAL HOUSING TAX CREDITS BY THE TEXAS HOUSING TAX CREDIT AGENCY.

Best Regards,

David N. Payne
Senior Vice President
Regions Bank
Tab 35 – Debt Letter
January 19, 2018

Thomas E. Huth
Palladium Farmersville, Ltd.
13455 Noel Road, Suite 400
Dallas, Texas  75240

RE: Potential Construction and Term Loan and Bridge Loan for Palladium Farmersville, an 80-unit Affordable Housing property to be located in Farmersville, Collin County, Texas

Dear Mr. Huth:

This letter sets forth the business terms under which Regions Bank (the “Bank”) is considering making available a construction and term loan (the “First Mortgage Loan”) and a bridge loan (the “Bridge Loan”) on the terms and conditions specified in this letter to Palladium Farmersville, Ltd., a Texas limited partnership (the “Company”), the general partner of which is Palladium Farmersville GP, LLC, a Texas limited liability company (the “General Partner”), that has been organized to develop, construct and operate an 80-unit apartment complex to be located on certain real property in Farmersville, Collin County, Texas (the “Property”), to be known as Palladium Farmersville (the “Project”).

CONSTRUCTION LOAN AMOUNT OF THE FIRST MORTGAGE LOAN: $5,330,600

FIRST MORTGAGE LOAN AMOUNT: $5,330,600

BRIDGE LOAN AMOUNT: $4,490,000

INTEREST RATE: With respect to the construction portion of the First Mortgage Loan, a variable interest rate equal to three percent (3.00%) above the 30-day LIBOR rate. With respect to the Bridge Loan, a variable interest rate equal to three percent (3.00%) above the 30-day LIBOR rate. Upon conversion into the term portion of the First Mortgage Loan, the interest rate will be a fixed interest rate of five percent (5.00%) per annum subject to rates in effect at the time of the closing. During the term portion of the First Mortgage Loan, if the First Mortgage Loan is pre-paid, it will be subject to a yield maintenance provision and/or prepayment penalty.

LOAN TERM: With respect to the construction portion of the First Mortgage Loan, up to twenty-four (24) months from the closing. With respect to the Bridge Loan, up to eighteen (18) months from the closing. After the First Mortgage Loan Conversion (as such term is defined below) the First Mortgage Loan will have a term of fifteen (15) years with a thirty-five (35) year amortization.

ORIGINATION FEES: One percent (1.00%) of the construction portion of the First Mortgage Loan amount, or $53,306, for the First Mortgage Loan and one percent (1.00%) of the term portion of the First Mortgage Loan amount or $53,306, both payable at closing of the First Mortgage Loan. One half of one percent (0.50%) of the Bridge Loan amount, or $22,450, for the Bridge Loan payable at the closing of the Bridge Loan. Such fees shall be fully earned and non-refundable when paid.

COMPUTATION OF INTEREST: Interest shall be computed on the basis of a 360 day year for the actual number of days elapsed.

INTEREST PAYMENTS: Payment of accrued interest on the First Mortgage Loan and Bridge Loan will be required monthly.
PRINCIPAL PAYMENTS: In order to convert to the term phase of the First Mortgage Loan, the principal of the First Mortgage Loan must be reduced with either equity, other loan proceeds or other funds of the Company to $5,330,600 (the “First Mortgage Loan Conversion”) not later than twenty-four (24) months from the closing date (the “First Mortgage Loan Conversion Date”). After the First Mortgage Loan Conversion Date, the remaining principal will be amortized over thirty-five (35) years with the entire principal balance being due and payable fifteen (15) years after the Conversion Date. The principal of the Bridge Loan shall be payable in full on or before the maturity date of the Bridge Loan, which will be for a period not to exceed eighteen (18) months from the closing date.

PREPAYMENT: The First Mortgage Loan and the Bridge Loan may be prepaid at any time in an amount equal to the entire principal balance, plus any accrued interest and fees, without premium or penalty other than in the case of the First Mortgage Loan, any yield maintenance or prepayment penalty due after the First Mortgage Loan Conversion Date.

GUARANTEES: Palladium USA, Inc. (the “Credit Guarantor”) will provide completion and repayment guaranties in a Credit Guaranty Agreement. The Bank’s obligations hereunder are conditioned on there being no material adverse change in the financial condition of the Credit Guarantor. The Credit Guarantor will covenant, in the Credit Guaranty Agreement, to provide annual financial statements, along with verification of liquid assets, reviewed by an accountant which demonstrate unencumbered liquid assets of $1,000,000 and a tangible net worth of $5,000,000. The reviews shall be prepared in accordance with the tax basis of accounting.

USE OF PROCEEDS: All proceeds of the First Mortgage Loan and the Bridge Loan will be used in the development of the Project on a site in Farmersville, Collin County, Texas (the “Land”) for the Project.

CONSTRUCTION CONSULTANT: The Bank shall commission, at the expense of the Company, a preliminary review of the Project and all related contracts and plans and specifications by the Bank’s construction consultant (the “Construction Consultant”) to confirm, in an upfront cost and plan review, that the Company’s budget is sufficient to complete the Project. The Bank shall, at the expense of the Company, have the Project inspected by the Construction Consultant from time-to-time during construction at such intervals as may be acceptable to the Bank. All requests for advances of First Mortgage Loan and Bridge Loan proceeds will be reviewed and approved by the Construction Consultant.

AVAILABILITY OF PROCEEDS: Except for the initial draw of First Mortgage Loan and Bridge Loan proceeds, advances of First Mortgage Loan and the Bridge Loan proceeds shall be made at the written request of the Company, but only on the certificate of, and after inspection of the Project by, the supervising architect and the Construction Consultant, which certificates shall be attached as the estimate of the Construction Consultant of the items to be paid out of proceeds of each advance.

SECURITY: In addition to the guarantees of the Credit Guarantors, the First Mortgage Loan and the Bridge Loan shall be secured by the following:

(a) A first priority deed of trust and security agreement (the “Mortgage”) on the Property, and the improvements to be constructed thereon, the legal description of which shall be provided by the Company as soon as possible.

(b) A first priority security interest and lien on all equipment, furniture, fixtures and other personal property located on the Land, used or intended to be used in connection with, in the Project, or any part thereof.

(c) A first priority assignment of the construction contract, architect contract and plans and specifications for the Project, property management agreement, development agreement and any other loan commitments along with the rights of the Company under all other contracts relating to the construction, ownership, use, management or operation of the Project.
(d) A first priority assignment of rents and leases.

(e) An environmental indemnity agreement entered into by the Company and the Credit Guarantors.

(f) A first priority assignment of general partnership interest.

(g) A first priority assignment of the capital contribution to be made by the limited partner.

REQUIREMENTS RELATED TO SECURITY AND COLLATERAL:

1. The Company agrees to furnish to the Bank, at the Company’s expense, an ALTA 2006 title insurance policy in the principal amount of the First Mortgage Loan and Bridge Loan, along with such endorsements as shall be required by the Bank, issued by a title insurance company acceptable to the Bank, insuring that the Mortgage is a valid first priority lien on the Property, subject only to (i) current year ad valorem taxes and (ii) such exceptions as shall be acceptable to the Bank. The title policy shall be updated with each request for an advance with respect to the First Mortgage Loan and Bridge Loan. On the First Mortgage Loan Conversion Date, a final “date-down” endorsement to the title policy must be provided, “dating-down” the policy and all endorsements and providing an ALTA 3.1 endorsement and a new “same-as survey” endorsement.

2. Prior to the closing, the Bank shall be furnished an ALTA survey of the Property, certified by a registered surveyor to the Bank and to the title insurance company, showing (i) the location of all present improvements, (ii) boundaries, (iii) means of public ingress and egress, (iv) building set-back lines, (v) rights-of-way, (vi) easements, (vii) encroachments and (viii) such other matters as shall be required by the Bank. The matters set forth on the survey must be satisfactory to the Bank. The survey must contain the Bank’s required form of certification and be in form and substance satisfactory to the Bank. If the Project is new construction, the Company shall provide foundation surveys as construction progresses and an ALTA “as-built” survey upon completion of construction.

3. The Company shall provide (i) builders risk/extended multi-peril on, and with respect to, the Property, (ii) general liability insurance for the Company, contractor and property manager and professional liability insurance for the architect, engineer and environmental consultant and (iii) workmen’s compensation insurance for the contractor and property manager, underwritten by companies approved by the Bank, in form and substance and containing such coverage as shall be required by the Bank. The builder’s risk/extended multi-peril policies shall cover all risks, pursuant to 100% non-reporting policies in form and substance acceptable to the Bank and shall provide thirty (30) calendar days’ written notice of cancellation to the Bank. The Bank shall be named as Mortgagee and “Lender’s Loss Payee” in all builders’ risk/multi-peril hazard insurance policies. The Bank will order a flood certificate at the Company’s cost. Flood insurance will be required if it is determined that any improvements constituting part of the Project lie within a designated flood hazard area. If the project is determined to be located in a designated flood zone, additional private flood insurance in excess of the National Flood Insurance Program may be required.

4. Prior to the closing, the Bank shall receive and approve (i) a Phase I Environmental Report and (ii) a soil or geotechnical report, in form and content satisfactory to the Bank. Additionally, as part of the Phase I Environmental Report (if applicable), or in a separate report, the Bank shall receive a report that shall certify the results related to toxic and other hazardous substances on the Property. A review of the Phase I Environmental Report is required, and an environmental review fee shall be paid by the Company to the Bank.

5. The Bank’s letter of intent is subject to the Bank’s receipt and approval of (i) the developer, contractor, architect and property manager selected by the Company, (ii) the executed development, construction, architectural, engineer and property management contracts, (iii) assignments thereof, (iv) lien waivers of the contractor, architect and engineer and a subordination from the property manager and developer, (v) building permits and such other permits as may be required for the development of the Project by the
applicable governmental authorities and (vi) the final plans and specifications approved by the Bank and the Construction Consultant. Any changes in the construction, architect, property manager or developer contracts and plans and specifications shall be subject to the Bank’s prior approval.

6. During the term of the First Mortgage Loan and the Bridge Loan, the Company will not further encumber or convey the Property in any manner without the prior written approval of the Bank.

7. The Bank’s letter of intent is subject to receipt, review and approval by the Bank of a current appraisal and market study (including information on capture rate, absorption rate and demand rate) of the Project addressed to the Bank or Texas Department of Housing & Community Affairs (the “Texas Housing Tax Credit Agency”) and prepared (within the last six months) by an independent appraiser/market study professional approved by the Bank or the Texas Housing Tax Credit Agency. Such appraisal and market study shall be in form and content satisfactory to the Bank. The term portion of First Mortgage Loan cannot exceed 80% of the appraised value of the Project, without considering the value of the federal low-income tax credits (“Federal Housing Tax Credits”) under Section 42 of the Internal Revenue Code of 1986, as amended (the “Code”). An appraisal review fee shall be paid by the Company to the Bank.

8. The Bank’s letter of intent is contingent upon receipt of a copy of (i) the Texas Housing Tax Credit Agency’s reservation letter (the “Housing Tax Credit Reservation Letter”) reflecting total Federal Housing Tax Credits available to the Company in a minimum amount of $833,805 per annum. The terms, conditions and contents of the Housing Tax Credit Reservation Letter shall be acceptable to the Bank in its sole discretion. The Company shall provide to the Bank and its legal counsel copies of the Housing Tax Credit application, Housing Tax Credit Reservation Letter, carryover allocation agreement and all related documents. Additionally, the Company shall provide copies of such other documents as may be requested by the Bank or its legal counsel, including but not limited to those set forth on a closing or due diligence checklist provided by the Bank’s legal counsel.

9. The Bank’s letter of intent is subject to the Company’s obtaining and accepting a commitment from Regions Bank for the investment in the limited partnership interest in the Company entitled to an allocation of Federal Housing Tax Credits such that the combination of the term portion of the First Mortgage Loan, other financing sources and the equity will allow for a viable project. All equity proceeds shall be used for the Project and related expenses in accordance with the development budget.

10. The Company shall provide an opinion of its counsel, covering such matters as shall be required, to the Bank.

11. [Intentionally Omitted].

12. [Intentionally Omitted].

13. Construction must commence within thirty (30) calendar days from the date of the closing of the First Mortgage Loan and the Bridge Loan. Construction must be pursued with reasonable diligence and shall be completed within twelve (12) months from such closing. Time is of the essence.

14. No later than twenty-four (24) months from closing of the First Mortgage Loan and the Bridge Loan, the Company must have achieved a Debt Service Coverage Ratio of 1.15:1 based on the previous three (3) months’ operations. The Debt Service Coverage Ratio is defined as the ratio of Net Operating Income to Debt Service. Net Operating Income shall be defined as the Effective Gross Income of the Project less Operating Expenses and shall include the Replacement Reserve Amount and the greater of (i) the actual vacancy rate or (ii) seven and one-half percent (7.50%) and a deduction for the greater of (i) proforma operating expenses or (ii) actual Operating Expenses. Effective Gross Income shall mean the gross receipts of the Company. Operating Expenses shall include a minimum property management fee of four percent (4.00%) of Effective Gross Income. Debt Service will be determined using a thirty-five (35) year amortization of principal at an interest rate of five
percent (5.00%) per annum, and the actual financing costs of the First Mortgage Loan, including the swap rate (if any) and all other costs. This covenant shall be tested annually thereafter.

15. The Company must maintain a ratio of the remaining principal amount of the First Mortgage Loan to Value of no more than eighty percent (80%) during the term of the First Mortgage Loan. Value shall mean the fair market value of the Project without considering the value of the Federal Housing Tax Credits as determined by an appraiser selected by the Bank, which appraisal shall be subject to the review and approval of the Bank. The Bank shall have the right to order a new appraisal at any time during the term of the First Mortgage Loan and the Bridge Loan, and the Company will agree to pay for one additional appraisal during the term. In the event that the ratio of the remaining principal amount of the First Mortgage Loan to Value ever exceeds eighty percent (80%), the Company shall immediately deposit with the Bank, as additional collateral, an amount which will bring the remaining principal amount of the First Mortgage Loan into compliance with this covenant.

DOCUMENTATION OF THE LOAN: The Bank shall be furnished with such loan and security instruments, as the Bank shall deem necessary for its protection under this letter of intent including representations and warranties and covenants (affirmative and negative) customary for transactions of this type. All documentation shall be satisfactory to the Bank and its legal counsel, Liles & Rushin, LLC. Without limiting the generality of the foregoing, the Bank and the Company will enter into a Credit Agreement that will provide for financial reporting and tax returns for the Company and each Credit Guarantor will execute and deliver to the Bank the Credit Guaranty Agreement that will provide for financial reporting and tax returns as required by the Bank.

INFORMATION: The Bank has issued this letter of intent based upon the information supplied by the Company. The Bank has the right to cancel this letter of intent, whereupon the Bank shall have no obligations hereunder, in the event of: (i) a material adverse change in the financial condition, operations, management, prospects or ownership of (A) the Company, (B) the General Partner or (C) any Credit Guarantor; (ii) a material adverse change in the accuracy of the information, representations, exhibits or other materials submitted by the Company in connection with its request for financing; or (iii) (A) loss of, (B) damage to, (C) a taking of, (D) or the presence of any hazardous substances at, or on, the Property. The requirements of this letter of intent include, but are not limited to: (i) receipt of satisfactory financial statements of (A) the General Partner(s), (B) the Company and (C) the Credit Guarantors (not more than six months old); (ii) receipt of a satisfactory third party market study setting forth (A) capture rate, (B) absorption rate and (C) demand analysis consistent with the Bank’s underwriting standards; (iii) satisfactory site inspection by the Bank and the Construction Consultant; and (iv) satisfactory review of the background and credit worthiness of (A) the General Partner(s) and (B) the Credit Guarantors.

ASSESSMENT OF FEASIBILITY: We have received and reviewed the Applicant 15 year pro forma for Palladium Farmersville located in Farmersville, TX. The attached pro forma, which has been reviewed by an authorized representative of Regions Bank is consistent with the unit rental rate assumptions, total operating expenses, net operating income, and debt service coverage based on Regions Bank current underwriting parameters and consistent with the loan terms indicated in the term sheet and is preliminarily considered feasible, pending further diligence review. The debt service for each year maintains no less than a 1.15 debt coverage ratio.

The attached pro forma indicates that the development would maintain no less than a 1.15x debt service coverage ratio throughout the initial fifteen years. These projections, which indicate that the Development is expected to be feasible for fifteen years, are made based on the preliminary information provided by the borrower to this point, and are subject to Regions due diligence review.

CREDIT WORTHINESS: Additionally, Regions Bank has performed a preliminary review of the credit worthiness of Palladium Farmersville, Ltd., Palladium Farmersville GP, LLC, The Land Experts, and Palladium USA, Inc. At this time, Regions Bank has reviewed the development and principals and has no reservations with
the development or any of the principals of the borrower. We anticipate no additional guarantors or financial strength will be needed to facilitate a loan to this borrower, other than those requirements disclosed herein.

**ACKNOWLEDGMENT OF THE AMOUNTS AND TERMS OF ALL OTHER ANTICIPATED SOURCES OF FUNDS:** In addition to the Construction Loan of $5,330,600, the First Mortgage Loan of $5,330,600, the Bridge Loan of $4,490,000 there will be a City of Farmersville Fee Waiver in the amount of $500, Equity contributions in the amount of $7,586,865, and Deferred Developer Fee in the amount of $757,702.

**EXPENSES:** By the Company’s acceptance of this letter of intent, the Company and each Credit Guarantor unconditionally agrees to pay all expenses incurred by the Bank in connection with the underwriting, closing, servicing or collection of the First Mortgage Loan and Bridge Loan including, but not limited to, legal fees of the Bank’s legal counsel, loan origination fees, appraisal fees, insurance premiums, survey costs, title insurance premiums, other insurance premiums, intangible taxes, other taxes, mortgage taxes, transfer taxes, recording costs and all license and permit fees, whether or not the First Mortgage Loan and the Bridge Loan actually closes.

**CUSTOMER IDENTIFICATION PROGRAM - IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT**

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask you for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver’s license or other identifying documents.

**THIS LETTER OF INTENT DOES NOT, NOR DOES IT INTEND TO, CONTAIN ALL OF THE TERMS AND CONDITIONS OF THE PROPOSED TRANSACTION. THIS LETTER OF INTENT IS SUBJECT TO THE CUSTOMARY DUE DILIGENCE PROCESS OF THE BANK AND ITS LEGAL COUNSEL. THE BANK RESERVES THE RIGHT TO REQUIRE OTHER INFORMATION AND DOCUMENTS AS OUR COUNSEL AND THE BANK REQUIRE. THE BANK RESERVES THE RIGHT TO MAKE MODIFICATIONS TO THE CLOSING OR DUE DILIGENCE CHECKLIST. FURTHERMORE, CHANGES MAY BE MADE TO THIS LETTER OF INTENT DURING THE DUE DILIGENCE REVIEW PROCESS OR AT THE REQUEST OF, OR RECOMMENDATION OF, THE BANK’S COUNSEL, LILES & RUSHIN, LLC.**

**THIS LETTER OF INTENT WILL EXPIRE IF NOT ACCEPTED BY THE GENERAL PARTNER, ON BEHALF OF THE COMPANY, AND THE CREDIT GUARANTORS BY MARCH 1, 2018. IF THIS LETTER OF INTENT IS ACCEPTED BY MARCH 1, 2018, IT WILL TERMINATE IF THE TRANSACTIONS CONTEMPLATED HEREBY ARE NOT CLOSED WITHIN ONE HUNDRED TWENTY (120) DAYS OF THE AWARD OF FEDERAL HOUSING TAX CREDITS BY THE TEXAS HOUSING TAX CREDIT AGENCY.**

Best Regards,

David N. Payne  
Senior Vice President  
Regions Bank
Accepted by: Palladium Farmersville, Ltd., a Texas limited partnership

By: Palladium Farmersville GP, LLC, a Texas limited liability company
Its: General Partner

By: ________________________________
Name: Thomas E. Huth
Its: Authorized Representative
Date: 1-23-2018

CREDIT GUARANTOR:

Palladium USA, Inc., a Delaware corporation

By: ________________________________
Name: Thomas E. Huth
Its: President and CEO
Date: 1-23-2018
Tab 35 – Equity Letter
January 19, 2018

Thomas E. Huth
Palladium Farmersville, Ltd.
13455 Noel Road, Suite 400
Dallas, Texas 75240

RE: Potential Equity Investment for Palladium Farmersville, a 80-unit Affordable Housing property to be located in Farmersville, Collin County, Texas

Dear Mr. Huth:

This letter sets forth the business terms under which Regions Bank, an Alabama banking corporation, or its assignee (the “Investment Limited Partner”) and RB Affordable Housing, Inc., an Alabama corporation, or its assignee (the “Special Limited Partner”) are considering acquiring a limited partnership interest in Palladium Farmersville, Ltd., a Texas limited partnership (the “Partnership”). Palladium Farmersville GP, LLC, a Texas limited liability company (the “General Partner”), will serve as the General Partner of the Partnership. The Partnership owns, or expects to own, certain property upon which will be located a 80-unit apartment complex in Farmersville, Collin County, Texas named Palladium Farmersville (the “Project”). The Project will be on a site (the “Land”), which will be acquired for a purchase price of $733,986 which amount is not greater than the appraised value of the Land. The Land Transferror is not a related person to the General Partner. The Partnership will apply for a reservation of $833,805 in low income housing tax credits under Section 42 of the Internal Revenue Code of 1986 (the “Federal Housing Tax Credits”) from the Texas Department of Housing & Community Affairs (the “Texas Housing Tax Credit Agency”).

The business terms are based on information you have supplied to us and are subject to additional validation and verification. This letter is not, and should not be, construed as a binding commitment upon the Investment Limited Partner and the Special Limited Partner and the Investment Limited Partner and the Special Limited Partner reserve the right to amend or withdraw this letter at any time. This letter supersedes any prior understanding or agreement, or perceived prior understanding or agreement, with respect to the matters described herein.

**Investment Limited Partner Capital Contribution** – The Investment Limited Partner will contribute to the capital of the Partnership an amount which is estimated to be approximately $7,586,865 (calculated as follows: [($833,805 x 10) x 99.99%] x 91.00% = $7,586,865), in the manner as provided below. Of the amount set forth in the preceding sentence, $100 will be allocated to the Special Limited Partner. The Investment Limited Partner and the Partnership shall agree on a construction schedule prior to closing the partnership investment. The admission of the Investment Limited Partner and the terms of its capital contribution shall be evidenced by an Amended and Restated Agreement of Limited Partnership (the “Partnership Agreement”) to be drafted by counsel to the Investment Limited Partner. The Investment Limited Partner and the Special Limited Partner will have the option to sell a participation of the limited partnership interest of the Investment Limited Partner and the Special Limited Partner to a third party investor.

**Capital Contribution Schedule of the Investment Limited Partner** – Subject to revision after CPA and other due diligence review by the Investment Limited Partner and its counsel of the proposed investment, the following sets forth the anticipated pay-in of the Capital Contribution of the Investment Limited Partner:

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A. Subject to the provisions of the last paragraph of this Section, $1,138,030 or 15.00% of the capital contribution (the “First Installment”) upon the latest of:

(i) fully executed Partnership Agreement and Equity Indemnity and Guaranty Agreement;

(ii) the property and partnership due diligence documents, including but not limited to (a) valid tax credit reservation, (b) carryover allocation agreement and written certification from an independent accountant/CPA of carryover basis and backup documentation evidencing costs, if applicable (the “Carryover Certification”), (c) the title insurance policy or pro forma policy with signed escrow letter, (d) fully executed credit agreement, other financing documents and closing documents for (i) a First Mortgage Loan and Bridge Loan to be made by Regions Bank to the Partnership, and (ii) a City LPS funding loan (Grant), (e) [intentionally omitted], (f) proper issuance of building permits, stormwater discharge permits, other environmental permits and wetlands permits, to the extent applicable, and all regulatory approvals necessary for commencement of construction, (g) receipt and Consent by the Special Limited Partner of the Construction Consultant Report, (h) [intentionally omitted], (i) evidence that the Project Budget contains the Minimum Contingency, (j) receipt of a copy of the Payment and Performance Bonds, (k) [intentionally omitted], and (l) all other documents identified on the closing checklist prepared by the Investment Limited Partner’s counsel (the “Closing Checklist”) other than those identified as post-closing; and

(iii) an opinion issued by the Partnership’s counsel, no earlier than the date of closing.

B. Subject to the provisions of the last paragraph of this Section, $5,917,755 or 78.00% of the capital contribution (the “Second Installment”) upon the following:

(i) satisfaction of all conditions of the First Installment;

(ii) (a) lien-free construction completion, (b) receipt of a Certificate of Occupancy for each building in the Project and each Low-Income Unit and (c) receipt of a Certificate of Substantial Completion, AIA Form G704-2000 signed by all parties thereto;

(iii) the Bridge Loan is fully satisfied;

(iv) receipt of the most recent prior year paid property tax receipt that is available;

(v) verification that the Partnership and Project are covered by insurance in accordance with the requirements of the Partnership Agreement;

(vi) no event giving rise to the obligation of the Partnership to repurchase the interest of the Investment Limited Partner or the Special
Limited Partner under the Partnership Agreement shall have occurred and not been waived by the Investment Limited Partner or the Special Limited Partner; and

(vii) receipt of a certificate of the General Partner that all of its representations and warranties set forth in the Partnership Agreement are true and correct in all material respects and no event of default with respect to the indebtedness of the Partnership has occurred and is existing.

C. Subject to the provisions of the last paragraph of this Section, $455,212 or 6.00% of the capital contribution (the “Third Installment”) upon the following:

(i) satisfaction of all conditions of the Second Installment;

(ii) receipt of an “as-built” ALTA survey;

(iii) 95% physical occupancy by tax credit qualified tenants;

(iv) the reserves required to be funded pursuant to the Partnership Agreement have been fully funded;

(v) receipt of First Mortgage Loan Conversion documents or satisfaction of First Mortgage Loan Conversion conditions;

(vi) receipt of the most recent prior year paid property tax receipt that is available;

(vii) verification that the Partnership and Project are covered by insurance;

(viii) no event giving rise to the obligation of the Partnership to repurchase the interest of the Investment Limited Partner or the Special Limited Partner under the Partnership Agreement shall have occurred and not been waived by the Investment Limited Partner or the Special Limited Partner; and

(ix) the final development cost and qualified basis certification prepared by an accountant/CPA for submission to the Texas Housing Tax Credit Agency;

(x) Achievement of Required Debt Service Coverage Ratio (as hereinafter defined) for 3 consecutive months before payment of this installment;

(xi) receipt of a certificate of the General Partner that all of its representations and warranties set forth in the Partnership Agreement are true and correct in all material respects and no event of default with respect to the indebtedness of the Partnership has occurred and is existing.

D. Subject to the provisions of the last paragraph of this Section, the balance of the capital contribution (the “Final Installment”) upon the latest of:
(i) satisfaction of all conditions of the Third Installment;

(ii) IRS Form(s) 8609 issued by Texas Housing Tax Credit Agency for each residential building in the Project;

(iii) the Tax Certification Letter with the blanks completed and any additions, deletions or modifications as necessary to make the statements contained therein true and correct in all material respects;

(iv) (a) Depreciation schedule, (b) reconciliation of depreciable basis to eligible basis, (c) occupancy schedule for the first year in the Credit Period and (d) an updated financial forecast of income and operating expenses;

(v) receipt of the most recent prior year paid property tax receipt that is available;

(vi) verification that the Partnership and Project are covered by insurance;

(vii) no event giving rise to the obligation of the Partnership to repurchase the interest of the Investment Limited Partner or the Special Limited Partner under the Partnership Agreement shall have occurred and not been waived by the Investment Limited Partner or the Special Limited Partner; and

(viii) receipt of a certificate of the General Partner that all of its representations and warranties set forth in the Partnership Agreement are true and correct in all material respects and no event of default with respect to the indebtedness of the Partnership has occurred and is existing.

Payment of each Installment will be conditioned upon a “date-down” of the Owner’s Title Insurance Policy and, with the exception of the amount set forth on the Closing Statement to be paid at closing from the First Installment, upon submission of a draw request in such form and content as shall be determined by the Special Limited Partner to be paid on a draw basis as needed for costs incurred. Notwithstanding the foregoing, a final “date-down” endorsement of the Title Insurance Policy, “dating-down” the effective date of the Title Insurance Policy and all endorsements attached thereto together with the issuance of an ALTA 3.1 endorsement, an ALTA “as-built” survey and a copy of a recorded plat of the Project (if applicable) shall be provided to the Special Limited Partner prior to the payment of the Final Installment.

Ownership Entity and Allocation of Profits and Losses – A Texas limited partnership. As stated above, the Investment Limited Partner’s legal counsel will draft the Partnership Agreement and such other ancillary documents as are needed.

99.990% Partnership Interest – To be held by the Investment Limited Partner or its assignees, as a limited partner;

0.001% Partnership Interest – To be held by RB Affordable Housing, Inc., an affiliate of the Investment Limited Partner (the “Special Limited Partner”), as a limited partner; and

0.009% Partnership Interest – To be held by the General Partner, as a general partner.
Subject to certain special allocation provisions, Profits and Losses of the Partnership shall be allocated in accordance with the foregoing percentage interests.

**Federal Housing Tax Credit Delivery** – The proposed investment by the Investment Limited Partner is based upon the anticipated allocation of Federal Housing Tax Credits to it in accordance with a schedule to be agreed upon by the parties.

**Guaranty** – Palladium USA, Inc. (the “Equity Guarantor”) shall provide in an Equity Indemnity and Guaranty Agreement the following indemnities and warranties to the Investment Limited Partner:

(1) Operating Deficit Guaranty – Equity Guarantor shall provide an unlimited operating deficit guaranty (the “Operating Deficit Guaranty”) for all operating deficits until “Achievement of Required Debt Service Coverage Ratio,” meaning the first time and on average for the three (3) month period preceding the Third Installment, there has previously occurred three (3) consecutive full calendar months of Partnership operations that satisfy based upon the average of such three (3) consecutive full calendar months the Required Debt Service Coverage Ratio of 1.15:1 based on the previous three (3) months’ operations (referred to herein as the “Guaranty Modification Date”). At no time after the Guaranty Modification Date shall the Operating Deficit Guaranty exceed an amount equal to six (6) months of actual operating expenses for the prior ninety (90) days, replacement reserves (to the extent not included in operating expenses) and debt service based on the permanent loan terms. Thereafter, the Operating Deficit Guaranty will be eliminated on the date that is five (5) years after the Guaranty Modification Date, but only if (a) the Operating Deficit Reserve Account is fully funded and (b) the Project has maintained a 1.15 to 1 Debt Service Coverage Ratio for the last twelve (12) months in such five (5) year period. The Operating Deficit Guaranty is in addition to an Operating Deficit Reserve Account to be established as hereafter provided.

(2) Tax Indemnity – Should the Federal Housing Tax Credits be reduced for any reason after the pay-in period described above, the Equity Guarantor shall reimburse Investment Limited Partner 91.00% for every dollar reduction. The Equity Guarantor shall reimburse the Investment Limited Partner for all amounts, including interest and penalties, should the Partnership become obligated to recapture the Federal Housing Tax Credits due to violation of the Partnership Agreement, the First Mortgage Loan, the Bridge Loan or applicable law by the General Partner. Any payment required as provided above shall be known as an “Adjustment Amount.” This guaranty shall expire seven (7) years after the Achievement of Required Debt Service Coverage Ratio.

(3) Guaranty of Completion – The Equity Guarantor shall guaranty that the Project is built on budget and on time, and in accordance with the plans and specifications. The Guaranty of Completion shall expire upon payment of the Final Installment.

(4) Guaranty of General Partner’s Obligation – The Equity Guarantor shall guarantee certain obligations of the General Partner under the Partnership Agreement to contribute capital to pay any unpaid, deferred development fee and to fulfill the repurchase obligation under certain circumstances.

**Property Management** – The General Partner agrees that Omnium Management Company, Inc., a Texas corporation, will serve as the property manager of Palladium Farmersville, Ltd. and cannot, without prior approval of the Investment Limited Partner, transfer its property management obligation. Omnium
Management Company, Inc. shall assess a property management fee consistent with standards established by the Texas Housing Tax Credit Agency.

**Distribution of Net Cash Flow** – Net Cash Flow (as will be defined in the Partnership Agreement) shall be distributed not later than forty-five (45) days after the end of each fiscal year, or, if later, within fourteen (14) days of the receipt of any required authorization from the First Mortgage lender or the Texas Housing Tax Credit Agency to distribute such Net Cash Flow, as follows:

(a) First, to the payment of any Adjustment Amount, together with any accrued interest thereon, with respect to the Partnership;

(b) Second, to the Developer (as hereafter defined) an amount equal to the Deferred Development Fee (as hereafter defined) until such time as the Deferred Development Fee shall be satisfied;

(c) Third, to the Special Limited Partner or any affiliate thereof, for payment of any other fees, debts, liabilities, or obligations owed to any such person including Special Additional Capital Contribution (as will be defined in the Partnership Agreement) and Limited Partner Advances (as will be defined in the Partnership Agreement);

(d) Fourth, to replenish the Operating Deficit Reserve Account and then to the General Partner or Equity Guarantor for repayment of any outstanding Operating Deficit Loans (as will be defined in the Partnership Agreement) and GP Loans (as will be defined in the Partnership Agreement) made with respect to the Partnership;

(e) Fifth, to the Investment Limited Partner, an amount equal to 40% of the taxable income, if any, reflected on the total of lines 1 through 7 of the Form K-1 received by the Investment Limited Partner with respect to such year as a result of an allocation hereof, and any amount which would have been distributed in prior years but for there being insufficient Net Cash Flow;

(f) Sixth, in an amount equal to 84.990% of Net Cash Flow for such year remaining after the payment of any items under (a) through (e) hereof for such year, to the General Partner for the Partnership Management Fee (as to be defined in the Partnership Agreement);

(g) Seventh, any remaining Net Cash Flow shall be distributed to 99.990% to the Investment Limited Partner, 0.001% to the Special Limited Partner and 0.009% to the General Partner.

Notwithstanding the foregoing, (i) Net Cash Flow shall not be distributed to either the General Partner or any of its Affiliates if either the General Partner or any of its Affiliates is subject to removal hereunder or has failed to perform any of its obligations under any of the Project Documents and (ii) Net Cash Flow shall not be distributed in amounts greater than permitted by the financing documents anticipated to be entered between the Partnership and any applicable Lender or Texas Housing Tax Credit Agency requirement. Notwithstanding anything to the contrary, in no event shall less than ten percent (10%) of the any Net Cash Flow paid pursuant to clauses (f) and (g) above, in the aggregate from any Net Cash Flow paid or distributed to the Investment Limited Partner and Special Limited Partner, and clauses (f) and (g) above shall be modified to the extent necessary so that the Investment Limited Partner and Special Limited Partner in the aggregate will receive ten percent (10%) of any Net Cash Flow paid or distributed pursuant to clauses (f) and (g) above. Finally, if Net Cash Flow for any Fiscal Year is not sufficient to pay the Partnership Management Fee for such Fiscal Year, such fee shall lapse to the extent not paid.

**Distribution of Net Cash Proceeds from a Sale or Refinancing** – In the event of a liquidating distribution, the Net Cash Proceeds resulting from a Refinancing or from a Sale (as to be defined in the
Partnership Agreement) in excess of the amount applied to Partnership mortgage obligations encumbering the property refinanced or sold shall be distributed and applied in the following order of priority:

(a) To the payment of the expenses of the Sale or Refinancing (as to be defined in the Partnership Agreement) and the debts and liabilities of the Partnership then due, excluding obligations to any Partner or Affiliates thereof other than accrued Investor Services Fee (as hereafter defined).

(b) To the setting up of any required reserves for any contingent or unforeseen liabilities or obligations of the Partnership; provided, however, that said reserves shall be deposited with a bank or trust company designated by the General Partner (or other Person(s) conducting the winding up of the Partnership) in escrow at interest for the purpose of disbursing such reserves for the payment of any of the aforementioned contingencies and, at the expiration of such period as the General Partner (or other Person(s) conducting the winding up of the Partnership) shall deem advisable, for the purpose of distributing the balance remaining thereafter as provided for hereinafter.

(c) To the payment, of any Adjustment Amount, together with any accrued interest thereon, with respect to the Partnership.

(d) To the General Partner for payment of Special Additional Capital Contribution and to the Investment Limited Partner for payment of Special Additional Capital Contribution and Limited Partner Advances and to any other advances or expenses incurred by the Special Limited Partner, the Investment Limited Partner, or any Affiliates thereof on behalf of the Partnership then due and payable.

(e) To the payment of any outstanding Operating Deficit Loans and/or GP Loans made with respect to the Partnership.

(f) To the General Partner, the amount, if any, of its Capital Contributions made to the Partnership in accordance with the terms of the Guaranty of Completion, or relating to unpaid Deferred Development Fees, reduced by the amount, if any, of prior distributions.

(g) To the Investment Limited Partner and the Special Limited Partner, an amount equal to any Federal income tax incurred as a result of a Sale or Refinancing.

(h) To the Partners with positive Capital Account balances (calculated prior to the allocation of Net Profit from Sale), pro-rata in accordance with their respective positive Capital Account balances until the Capital Accounts of all Partners with positive Capital Accounts shall have been reduced to zero.

(i) Finally, any remaining Net Cash Proceeds shall be distributed 14.990% to the Investment Limited Partner, 0.010% to the Special Limited Partner and 85.000% to the General Partner.

Notwithstanding anything to the contrary set forth in Section 4.5 of the Agreement, in no event shall less than ten percent (10.00%) of the any Net Cash Proceeds paid pursuant to clauses (h) and (i) above in the aggregate from shall be paid or distributed to the Investment Limited Partner and Special Limited Partner, and clauses (h) and (i) above shall be modified to the extent necessary so that the Investment Limited Partner and Special Limited Partner in the aggregate will receive ten percent (10.00%) of any Net Cash Proceeds paid or distributed pursuant to clauses (h) and (i) above. Except as will be otherwise provided in the Partnership Agreement, the other agreements entered in connection with the Partnership Agreement or by law, the General Partner shall have no personal liability with respect to a return of the Capital Contributions of the Investment Limited Partner.
Sale of Project – At the end of the Compliance Period (as to be defined in the Partnership Agreement), the Investment Limited Partner shall have the right to market the Project. Should the General Partner object to any proposed sale, it shall have a right of first refusal and may purchase the Project at the same price and on the same terms as set forth in any offer that the Investment Limited Partner might receive, with the Investment Limited Partner entitled to proceeds as noted above. In addition, the Partnership Agreement will grant to the Investment Limited Partner and Special Limited Partner the right to “put” their partnership interest to the General Partner at the end of both the Credit Period (as to be defined in the Partnership Agreement) and the Compliance Period for a payment of $1,000.

Financial Accounting – Among other reports, the General Partner shall provide the following reports to the Investment Limited Partner and Special Limited Partner:

1. By October 31, an annual budget for the upcoming year.
2. By February 28, the Partnership tax return and Schedule K-1 for the prior fiscal year.
3. By March 15, audited financial statements for the prior fiscal year.
4. Such other reports as the Investment Limited Partner or Special Limited Partner shall require.

Legal Review – The Partnership agreements, all guaranty agreements and other legal documents referencing the investment by the Limited Partner are subject to review by the Investment Limited Partner and preparation by Liles & Rushin, LLC as legal counsel for the Investment Limited Partner. The Partnership Agreement will contain representations, warranties and covenants typical to limited partnership agreements for national syndication for investment in Federal Housing Tax Credit transactions.

Due Diligence – From the date of the receipt of all due diligence items, set forth on the Due Diligence Checklist to be prepared by legal counsel for the Investment Limited Partner, the Investment Limited Partner shall have thirty (30) days to complete its due diligence review. The Investment Limited Partner’s due diligence shall include, but not be limited to, a review of the market study, an appraisal prepared by a third party independent appraiser, an ALTA survey with such survey certificate as the Investment Limited Partner may require, title commitment for an owner’s policy in the amount of the sum of the Investment Limited Partner’s capital contribution plus the amount of the permanent debt of the Partnership with such endorsements as the Investment Limited Partner may require, and a Phase I Environmental Review, all of which shall be paid for by the Partnership and shall be in form and substance acceptable to the Investment Limited Partner.

Federal Housing Tax Credit Adjuster – Should the final Federal Housing Tax Credits earned by the Project be greater than, or less than, $833,805 per annum the capital contribution by the Investment Limited Partner shall be increased or decreased accordingly by 91.00% for each dollar of Federal Housing Tax Credit increased or decreased, utilizing the same formula as set forth above for calculation of the capital contribution; provided, however, in no event will any additional capital contribution exceed $758,687.

Development Fee – Palladium Affordable Housing Development Farmersville, LLC., a Texas limited liability company and The Land Experts, LLC, a Texas limited liability company shall be the developers (the “Developer”) for the Project. A fee to be paid the Developer (the “Development Fee”) in the amount of $1,590,088 with $832,386 constituting the estimated cash portion of the Development Fee and $757,702 constituting the estimated Deferred Development Fee shall be agreed upon by the Partnership. In the event that the sources of funds are not sufficient to pay all of the Development Fee such portion (the
“Deferred Development Fee”) shall be deferred and paid out of Net Cash Flow as hereinbefore provided. Any Deferred Development Fee not paid by the thirteenth (13th) anniversary of the Completion Date (as such term will be defined in the Partnership Agreement) will be paid from a special contribution of capital to the Partnership by the General Partner.

**Required Reserves** – The greater of $391,755 or six (6) months of operating expenses and debt service (the “Operating Deficit Reserve”) shall be paid from the Second Installment into an Operating Deficit Reserve Account, which Operating Deficit Reserve Account shall be established with the Investment Limited Partner. If funds are withdrawn from the Operating Deficit Reserve Account, such funds must be restored from that portion of Net Cash Flow that would otherwise be paid to the General Partner as the Partnership Management Fee. A replacement reserve (the “Replacement Reserve”) in an amount of $250 per residential rental unit, per year will be established with the Investment Limited Partner. The Partnership will establish with the Investment Limited Partner on the Completion Date a tax and insurance reserve account to which the Partnership will deposit on the tenth (10th) day of each month an amount equal to one twelfth of the annual property tax and insurance premium, which tax and insurance premium will be paid from such account to the extent of funds then on deposit.

**Financing** – The amount, terms and conditions of the construction and permanent financing, if not provided by Regions Bank, must be acceptable to Investment Limited Partner.

**Acknowledgment Of The Amounts And Terms Of All Other Anticipated Sources Of Funds:**
In addition to Equity contributions in the amount of $7,586,865, there will be a Construction Loan of $5,330,600 with a variable interest rate equal to three percent (3.00%) above the 30-day LIBOR rate with a maximum 24 month term interest only, a First Mortgage Loan of $5,330,600 with a fixed interest rate of five percent (5.00%) with a term of 15 years after the Conversion Date amortized over a thirty-five (35) year period, a Bridge Loan of $4,490,000 with a variable interest rate equal to three percent (3.00%) above the 30-day LIBOR rate with a maximum 18 month term interest only, a City of Farmersville Fee Waiver in the amount of $500, and Deferred Developer Fee in the amount of $757,702.

**Credit Worthiness:** Additionally, Regions Bank has performed a preliminary review of the credit worthiness of Palladium Farmersville, Ltd., Palladium Farmersville GP, LLC, The Land Experts, and Palladium USA, Inc. At this time, Regions Bank has reviewed the development and principals and has no reservations with the development or any of the principals of the borrower.

**Investor Service Fee** – The Investment Limited Partner will receive an Investment Limited Partner service fee of $6,000 per year then increasing three percent (3.00%) every year which shall have payment priority after the payment of operating expenses, debt service and funding of required reserves.

**Further Documents** – The General Partner and the Investment Limited Partner intend to enter into definitive written agreements acceptable to each incorporating therein all of the terms, provisions and conditions of this transaction, as stated herein, together with the customary representations, warranties, covenants and indemnities which shall survive the closing, including but not limited to warranties of title; absence of defaults, litigation, liens, and undisclosed liabilities, existence of insurance; full compliance with applicable laws, regulatory agreements and environmental regulations; defect-free construction of the Project; authority of the General Partner, and the truth and accuracy and completeness of all assumptions expressed by the General Partner.

The Partnership shall be responsible for all costs incurred in the preparation of the Partnership Agreement and related documents, the Investment Limited Partner’s legal counsel, due diligence efforts, recording fees and similar matters.
CUSTOMER IDENTIFICATION PROGRAM - IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask you for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver’s license or other identifying documents.

THIS LETTER OF INTENT DOES NOT, NOR DOES IT INTEND TO CONTAIN ALL OF THE TERMS AND CONDITIONS OF THE PROPOSED TRANSACTION. THIS LETTER OF INTENT IS SUBJECT TO THE NORMAL APPROVAL AND DUE DILIGENCE PROCESS OF THE INVESTMENT LIMITED PARTNER AND ITS LEGAL COUNSEL, LILES & RUSHIN, LLC. THE INVESTMENT LIMITED PARTNER RESERVES THE RIGHT TO REQUIRE OTHER INFORMATION AND DOCUMENTS AS OUR COUNSEL AND THE INVESTMENT LIMITED PARTNER REASONABLY REQUIRE. THE INVESTMENT LIMITED PARTNER RESERVES THE RIGHT TO MAKE MODIFICATIONS TO THE CLOSING CHECKLIST. FURTHERMORE, CHANGES MAY BE MADE TO THIS LETTER OF INTENT DURING THE INVESTMENT APPROVAL PROCESS OR AT THE REQUEST OF OR RECOMMENDATION OF THE INVESTMENT LIMITED PARTNER'S COUNSEL OR CERTIFIED PUBLIC ACCOUNTANT. THIS LETTER OF INTENT IS NOT A COMMITMENT TO INVEST, BUT A FRAMEWORK THAT HAS BEEN INITIALLY APPROVED BY THE INVESTMENT LIMITED PARTNER'S INVESTMENT COMMITTEE.

THIS LETTER OF INTENT WILL EXPIRE IF NOT ACCEPTED BY THE GENERAL PARTNER ON BEHALF OF THE PARTNERSHIP AND THE EQUITY GUARANTORS BY MARCH 1, 2018. IF THIS LETTER OF INTENT IS ACCEPTED BY MARCH 1, 2018, IT WILL TERMINATE IF THE TRANSACTIONS CONTEMPLATED HEREBY ARE NOT CLOSED WITHIN ONE HUNDRED TWENTY (120) DAYS OF THE AWARD OF FEDERAL HOUSING TAX CREDITS BY THE TEXAS HOUSING TAX CREDIT AGENCY.

We appreciate having the opportunity to invest in this Partnership. Please feel free to give me a call if you have any questions or comments about this proposal. If the terms of this letter are satisfactory, please sign and return to me and I will proceed with getting the final approval of the Investment Limited Partner’s investment committee.

Very truly yours,

David N. Payne
Senior Vice President
Regions Bank
Accepted by: Palladium Farmersville, Ltd., a Texas limited partnership

By: Palladium Farmersville GP, LLC, a Texas limited liability company
Its: General Partner

By: _____________________________
Name: Thomas E. Huth
Its: Authorized Representative
Date: 1-23-2018

EQUITY GUARANTOR:

Palladium USA, Inc., a Delaware corporation

By: _____________________________
Name: Thomas E. Huth
Its: President and CEO
Date: 1-23-2018
Tab 35 – LPS Letter
January 9, 2018

Mr. Thomas E. Huth
Palladium Farmersville, Ltd.
13455 Noel Road, Suite 400
Dallas, TX 75240

RE: Commitment of Development Funding by Local Political Subdivision for Palladium Farmersville located on the south side of W Audie Murphy Pkwy and west of 607, City of Farmersville, Collin County, Texas

Dear Mr. Huth,

Pursuant to your request, I can confirm that I am the local government official with appropriate jurisdiction to state the following. Palladium Farmersville, Ltd. has requested a commitment of funding for the support of the Palladium Farmersville development to satisfy a requirement of Section 11.9(d)(2) of the 2018 Qualified Allocation Plan as published by the Texas Department of Housing and Community Affairs. The City of Farmersville will provide reduced fees to the Palladium Farmersville development in the amount of $500. It is the intention of this letter to firmly commit this benefit to the Palladium Farmersville development in order to satisfy the requirement of Section 11.9(d)(2) in order to gain 1 point under that rule for this commitment of funds. Thank you for your consideration.

Sincerely,

Ben White
City Manager
Part 5 – Development Organization
(Tabs 36-46)
Tab 36 – Sponsor Characteristics
Pursuant to §11.9(b)(2) of the Qualified Allocation Plan, an Application may qualify to receive up to two (2) points provided the ownership structure meets one of the following requirements in parts 1 OR 2 below:

1. Application is attempting to score as a Qualified Nonprofit or certified HUB with ownership interest and material participation and meets the criteria below:

   - If attempting to score as a Qualified Nonprofit, Application is applying under the Nonprofit Set-Aside
   - If attempting to score as a certified HUB, evidence of the HUB's existence from the Texas Comptroller of Accounts is provided behind this Tab
   - The Qualified Nonprofit or certified HUB has some combination of ownership interest, cash flow from operations, and developer fee which taken together equal at least 50% and no less than 5% for any category.

<table>
<thead>
<tr>
<th>Ownership Interest</th>
<th>Cash flow from operations</th>
<th>Developer Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>30.00%</td>
<td>10.00%</td>
<td>10.00%</td>
</tr>
</tbody>
</table>

   - Total: 50.00%

   - The Qualified Nonprofit or certified HUB will materially participate in the Development and the operation of the Development throughout the Compliance Period. A detailed narrative describing how that material participation will be achieved is included.

   - The Qualified Nonprofit or certified HUB has experience directly related to the housing industry. Mark all that apply and provide a detailed narrative describing experience in each category:

   - Property Management
   - Construction
   - Development
   - Financing
   - Compliance

   - No Principals of the Qualified Nonprofit or HUB are related Parties to any other Principals of the Applicant or Developer.

   - Evidence of experience in the housing industry and a statement regarding material participation are provided behind this tab.

   Points Claimed: 2

2. Application is attempting to score as a participating Nonprofit or certified HUB and meets the criteria below:

   - A certified HUB will participate in Development Services or provide onsite tenant services, and evidence of the HUB's existence from the Texas Comptroller of Accounts is provided behind this Tab.

   - A Nonprofit will participate in Development Services or provide onsite tenant services, and evidence from a state or federal source of the organization's nonprofit status is provided behind this Tab.

   - No Principals of the HUB or Nonprofit are related Parties to any other Principal of the Applicant or Developer.

   - Evidence of experience in the provision of Development Services or in the provision of on-site tenant services as well as a detailed narrative describing how the HUB or Nonprofit will provide such services must be included behind this tab.

   Points Claimed: 0

Total Points Claimed: 2
Tab 36 – HUB Certificate and Resume
The Development owner certifies that he HUB will materially participate in the Development. There is no relationship between the Principals of the HUB and any other Principals of the Applicant or Developer.

The HUB will participate materially in the development and financing phases of the Development. She will be involved at the General Partner level decision-making regarding development, financing and ongoing operations of the community throughout the compliance period.

Tom E. Huth  
President, Managing Member of GP
The Texas Comptroller of Public Accounts (CPA) administers the Statewide Historically Underutilized Business (HUB) Program for the State of Texas, which includes certifying minority and woman-owned businesses as HUBs and is designed to facilitate the participation of minority and woman-owned businesses in state agency procurement opportunities.

We are pleased to inform you that your application for certification/re-certification as a HUB has been approved. Your company's profile is listed in the State of Texas HUB Directory and may be viewed online at http://www.window.state.tx.us/procurement/cmbl/hubonly.html. Provided that your company continues to meet HUB eligibility requirements, the enclosed HUB certificate is valid for four years.

You must notify the HUB Program in writing of any changes affecting your company’s compliance with the HUB eligibility requirements, including changes in ownership, day-to-day management, control and/or principal place of business. Note: Any changes made to your company’s information may require the HUB Program to re-evaluate your company’s eligibility.

Please reference the enclosed pamphlet for additional resources, such as the state’s Centralized Master Bidders List (CMBL), that can increase your chance of doing business with the state.

Thank you for your participation in the HUB Program. If you have any questions, you may contact a HUB Program representative at 512-463-5872 or toll-free in Texas at 1-888-863-5881.

---

Paul Gibson, Statewide HUB Program Manager
Texas Procurement and Support Services

Note: In order for State agencies and institutions of higher education (universities) to be credited for utilizing this business as a HUB, they must award payment under the Certificate/VID Number identified above. Agencies and universities are encouraged to validate HUB certification prior to issuing a notice of award by accessing the Internet (http://www.window.state.tx.us/procurement/cmbl/cmbithub.html) or by contacting the HUB Program at 1-888-863-5881 or 512-463-5872.

Rev. 01/15
RESUME OF KIM SCHWIMMER, MANAGING MEMBER, THE LAND EXPERTS LLC

The Land Experts LLC was certified by the Texas Comptroller of Public Accounts as a Historically Underutilized Business in 2015. As a partner to the Palladium Development Team, The Land Experts LLC will materially participate in the development, financing, pre-development activities, construction, leasing and day-to-day operations in developments financed by the TDHCA 9% Housing Tax Credit Program. Below is a list describing the specific responsibilities The Land Experts LLC will perform in its role as a Historically Underutilized Business Partner:

RESPONSIBILITIES:
- Represent Developer in communications with landowners, real estate brokers, government officials, attorneys, engineers, title companies, general contractors & lenders in all aspects of the process from site selection through development and construction;
- Orchestrate initial and ongoing meetings between Developer and Landowners, Brokers, Centers of Influence, City Managers, Planning & Zoning, and Economic Development to introduce the Developer, provide education about the program, and discuss possible sites for the Project;
- Evaluate market areas and census tracts to determine suitability for Project; locate specific sites within those areas for consideration and present detailed analysis to Development Team;
- Negotiate land contracts on behalf of Developer in an effort to obtain the best possible terms; Educate brokers and landowners as to the timelines involved in the process;
- Become familiar with local zoning ordinances, procedures and timelines;
- Leverage local contacts to learn how to best approach municipalities and how to garner local support for Project;
- Ensure that the Plans and Specifications for the Project are in compliance with applicable development codes and other laws, ordinances, rules and regulations;
- Ensure that there are no flood plain impacts which will affect the Project, or if so, that they will be appropriately mitigated in compliance with local and lender requirements;
- Attend construction progress meetings with the general contractors, and meetings with the Construction Lender;
- Monitor draw requests, disbursements and payments of amounts owed to the architect, engineers, general contractor and subcontractors
- Coordinate with local service agencies, including housing authorities, welfare and social services departments, churches and other organizations operating for the purpose of assisting the needy, to advise such agencies about the availability of the Project as desirable housing for low-income families, and promote and encourage such agencies to refer potential residents to the Project;
- Consider ways in which the availability of the Project as suitable housing for low income families may be made more widely known in the community;
- Obtain information from low income residents in the Project as to services which might be provided to such residents by the Partnership;
- Obtain information from residents concerning social and educational services from the community which might be provided to residents at the Project;
- Obtain governmental building code or regulatory approvals and certificates of occupancy for all of the buildings and residential units of the Project;
- Cause the Project to be completed in a prompt and expeditious manner, with good workmanship and compliance with:
  1) Plans and Specifications, as approved or amended by the Partnership under any Loan Agreements or the Partnership Agreement,
  2) Any and all zoning regulations, city or county ordinances, including without limitation, health, fire and safety regulations, environmental standards and regulations, and any other requirements of federal, state and local laws, rules, regulations and ordinances applicable to the construction of the Project;
  3) Any and all obligations of the Partnership under any Loan Agreement or Partnership Agreement;
- Review the annual operating budget for the Project;
- Deliver to the Partnership:
  1) A dimensioned “as-built” ALTA survey with the surveyor’s certification that it is acceptable to any lender, the Investor Limited Partner, and title company of the land, the site plan which shows the completed Project which locates all buildings, improvements, easements, setback lines, rights-of-way, restrictive covenants, encroachments, and other recorded or apparent matters encumbering or affecting the land after completion of the Project; and
  2) “As built” drawings, plans, specifications prepared by the architect and engineers of the finished construction of the Project;
- Provide to and periodically update for the Partnership the Project construction timeline which coordinates and integrates the services of the general contractor, architect, and engineers’ services with construction schedules;
- Collaborate with the general contractor, architect, engineers to establish and implement procedures for expediting the processing and approval of shop drawings and samples;
- Perform and administer any and all other services and responsibilities of the Primary Developer in any other provisions of the Development Agreement, or as provided for in the Partnership Agreement;
- Collaborate, cooperate and coordinate the duties and responsibilities of the Developer;

1917 Mount McKinley Place, Cedar Hill, TX 75104 | 214-405-3507
- Review and assist in the day-to-day property operations, including, but not limited to, review of property financial statements, management leasing reports, marketing reports, and compliance reports required during the TDHCA Compliance Period;
- Assist in the completion of the TDHCA and HUD annual reporting requirements during the Compliance Period;

**STATEMENT OF QUALIFICATIONS AND EXPERIENCE**

The Land Experts LLC, a single member LLC, became a Texas Certified HUB in 2015. Kim Schwimmer, the sole Managing Member of The Land Experts LLC, has 22 years experience in commercial real estate, with expertise in site selection, seller and buyer representation and land development. Kim’s land expertise covers 8 North Texas counties, which makes her well qualified to locate, vet and partner in developing sites for the HTC program. Kim has been working in the tax credit industry since 2013, and has been instrumental in closing and developing four tax credit developments in North Texas.

Kim Schwimmer obtained her Bachelor of Business Administration in Finance from the University of Texas at Austin, and obtained her Masters of Business Administration in Finance from Fordham University in New York. Kim spent 10 years working in the banking and mutual fund industries, and began her career working for Citigroup on Wall Street before making her way to Dallas with Bank of America. Kim worked in the Dallas finance arena for several years before starting her real estate career in the mid 1990’s. Since then, Kim has formed her own land investment and brokerage firm, and has become a local land expert representing and advising developers, investors, business owners and families in their land acquisitions and sales.

**Designations**

- Texas Real Estate Broker’s License – since 1999
- Member – National Association of Realtors
- Member - Texas Association of Realtors
- Member- North Texas Commercial Association of Realtors
- Member- Metrotex Association of Realtors
- Member – Commercial Association of Realtors
- Member – Texas Affiliation of Affordable Housing Providers
Tab 37 – Applicant and Developer Ownership Charts
Owner and Developer Organization Charts

Applicants should note that subsequent changes to the Development Ownership structure presented in this section will require the written consent of the Department.

Pursuant to §10.204(13)(A) of the Uniform Multifamily Rules, submit three separate charts. One showing the complete organizational structure of each of the following entities: Development Owner, Developer, and Guarantor.

The organization charts must include:

- The names and ownership percentages of all Persons having an ownership interest in the Development Owner, Developer, and/or Guarantor.
- Nonprofit entities, public housing authorities, publicly traded corporations, individual board members and executive directors must be included in Organization charts.
- Any and all trusts must list all beneficiaries that have the legal ability to control or direct activities of the trust and are not just financial beneficiaries.

In the case of:

(A) Partnerships - Principals include all general Partners and Special LPs (any LP that is not the Syndicator is a "Special LP");

(B) Corporations - Principals include the executive director and all members of the board (shown with "0%" ownership as applicable). For to-be formed instrumentalities of PHAs, where the executive director and board remain to be determined, include the PHA, itself, and its members;

(C) Limited liability companies - Principals include all the managing members and all other members.

Org. Chart Example:

Information about Organizations that will own or control the Applicant or other related organizations will be provided in the List of Organizations with an Ownership Special Interest in the Applicant form.

Note that the percentage refers to the entity to which the Person is directly connected, not to the whole Development Owner.

If a revised chart is submitted, include date of submission!
Palladium Farmersville
9% Tax Credit Application – 2018 Program
Year Applicant / Owner Organizational Chart

Palladium Farmersville (Project)

Palladium Farmersville, Ltd. (Project Owner)
EIN - TBD

Palladium Farmersville GP, LLC
(General Partner and 0.01% Owner of Palladium Farmersville, Ltd.)
EIN - TBD

Palladium Farmersville GP Mgr, Inc. (Co-Manager and 70% Owner of Palladium Farmersville GP, LLC) EIN – TBD

Palladium USA, Inc. (100% Owner of Palladium Farmersville GP Mgr, Inc.)
EIN 06-1382390
Thomas E. Huth – Authorized Signer
James H. Bennett - Director

Palladium Italia S.r.l. (100% Owner of Palladium USA, Inc.)
Non U.S.A. Entity with legal seat in Italy

The Land Experts LLC (Co-Manager and 30% Owner of Palladium Farmersville GP, LLC) EIN 47-2322872

Kim Schwimmer (Managing Member and 100% Owner of The Land Experts LLC)
SSN - Private

Geplant N.V. (100% Owner of Palladium Italia S.r.l.)
Non U.S.A. Entity with legal seat in Rotterdam, Netherlands

Syndicator
(Limited Partner and 99.99% Owner of Palladium Farmersville, Ltd.)
EIN - TBD

Palladium International S.a.r.l. (100% Owner of Geplant N.V.)
Non U.S.A. Entity with legal seat in Luxembourg

Cesare Rancilio
Owned 50% by a non U.S.A. citizen

Fiorenza Rancilio
Owned 50% by a non U.S.A. citizen
Palladium Farmersville, Ltd.
9% Tax Credit Application – 2018 Program
Year Developer Organizational Chart

Palladium Farmersville
(Project)

Palladium Affordable Housing Development Farmersville, LLC
(90% Co-Developer)
EIN - TBD

Palladium USA International, Inc.
(100% Owner of Palladium Affordable Housing Development Farmersville, LLC)
EIN 75-2615053
Thomas E. Huth – Authorized Signer
James H. Bennett - Director

Palladium Italia S.r.l.
(100% Owner of Palladium USA International, Inc.)
Non U.S.A. Entity with legal seat in Italy

Geplant N.V.
(100% Owner of Palladium Italia S.r.l.)
Non U.S.A. Entity with legal seat in Rotterdam, Netherlands

Palladium International S.a.r.l.
(100% Owner of Geplant N.V.)
Non U.S.A. Entity with legal seat in Luxembourg

The Land Experts LLC
(10% Co-Developer) EIN 47-2322872

Kim Schwimmer
(Managing Member and 100% Owner of The Land Experts LLC)
SSN - Private

Cesare Rancilio
Owned 50% by a Switzerland resident

Fiorenza Rancilio
Owned 50% by a Switzerland resident
Palladium USA, Inc.
(100% Owner of Palladium Farmersville GP Mgr, Inc. and Guarantor)
EIN 06-1362390
Thomas E. Huth – Authorized Signer
James H. Bennett - Director
Tab 38 – List of Organizations and Principals
### List of Organizations and Principals

Provide the requested information for all partnerships, corporations, limited liability companies, trusts, or any other public or private entity and their Affiliates identified on the Owner and Developer Organization Charts. Organizations that own or control other organizations should also be identified until the only remaining sub-entity would be natural persons. Organizations that are Developers and/or Guarantors must also be listed on this form as must any organization (and natural person whose ownership interest in an applicable entity is direct instead of via membership in an organization) that will receive more than 10% of the developer fee. (Note: Entity Names, Principals, and ownership percentage should coincide with the Owner and Developer Organization Charts)

<table>
<thead>
<tr>
<th>Org. 1</th>
<th>Organization Legal Name: Palladium Farmersville GP Mgr. Inc.</th>
<th>Role/Title</th>
<th>Co-Manager of GP</th>
<th>Address: 13455 Noel Road, Suite 400</th>
<th>City: Dallas</th>
<th>State: TX</th>
<th>Zip: 75240</th>
</tr>
</thead>
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<td>Phone: (972) 774-4400</td>
<td>Email: <a href="mailto:tom@palladiumusa.com">tom@palladiumusa.com</a></td>
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<th>Address: 13455 Noel Road, Suite 400</th>
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<td>Email:</td>
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Organization Legal Name: Palladium Affordable Housing Development Farmersville, LLC  Role/Title: Developer

Address: 13455 Noel Road, Suite 400  City: Dallas  State: TX  Zip: 75240

Name(s) of Entities the Organization Owns or Controls: Palladium Affordable Housing Development Farmersville, LLC

Organization legally formed? Yes  Date formed: 9/5/1995  Legal Org is or will be: Corporation

Previous TDHCA Experience? Yes  Phone: 972-774-4400  Email: tom@palladiumusa.com

Organization is identified on Org. Chart: Yes  Ability to exercise Control over the Development? No

List of Sub-Entities or Principals:
1. Palladium USA International, Inc.
   TDHCA Experience: Yes

2. Palladium Italia S.r.l.
   TDHCA Experience: Yes

3. Thomas E. Huth
   TDHCA Experience: Yes

4. James H. Bennett
   TDHCA Experience: Yes

5. Palladium USA International, Inc.
   TDHCA Experience: Yes

6. Palladium Italia S.r.l.
   TDHCA Experience: Yes

Organization Legal Name: Palladium USA International, Inc.  Role/Title: Owner of Palladium USA International, Inc.

Address: 13455 Noel Road, Suite 400  City: Dallas  State: TX  Zip: 75240

Name(s) of Entities the Organization Owns or Controls: Palladium Affordable Housing Development Farmersville, LLC

Organization legally formed? Yes  Date formed: 9/5/1995  Legal Org is or will be: Corporation

Previous TDHCA Experience? Yes  Phone: 972-774-4400  Email: tom@palladiumusa.com

Organization is identified on Org. Chart: Yes  Ability to exercise Control over the Development? No

List of Sub-Entities or Principals:
1. Palladium Italia S.r.l.
2. Thomas E. Huth
3. James H. Bennett

4. Palladium USA International, Inc.
5. Palladium Italia S.r.l.
6. Palladium USA International, Inc.

Organization Legal Name: Palladium USA International, Inc.  Role/Title: Owner of Palladium USA International, Inc.

Address: 13455 Noel Road, Suite 400  City: Dallas  State: TX  Zip: 75240

Name(s) of Entities the Organization Owns or Controls: Palladium Affordable Housing Development Farmersville, LLC

Organization legally formed? Yes  Date formed: 9/5/1995  Legal Org is or will be: Corporation

Previous TDHCA Experience? Yes  Phone: 972-774-4400  Email: tom@palladiumusa.com

Organization is identified on Org. Chart: Yes  Ability to exercise Control over the Development? No

List of Sub-Entities or Principals:
1. Palladium Italia S.r.l.
2. Thomas E. Huth
3. James H. Bennett

4. Palladium USA International, Inc.
5. Palladium Italia S.r.l.
6. Palladium USA International, Inc.
Tab 39 – Previous Participation
Form
**Previous Participation Form**

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**Person/Role:** Palladium Farmersville GP Mgr, Inc.

**Email Address:** Tom@palladiumusa.com

**City & State of Home Addr:** 13455 Noel Road, Suite 400, Dallas, TX 75240

**Applicant Legal Name:** Palladium Farmersville, Ltd.

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Person/Role: Thomas E. Huth
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<td>THF Palladium Midland</td>
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Person/Role:  
Thomas E. Huth

Email Address:  
tom@palladiumusa.com

City & State of Home Addr:  
13455 Noel Road, Suite 400, Dallas, TX 75240

Applicant Legal Name:  
Palladium Farmersville, Ltd.

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Person/Role:  
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Email Address:  
tom@palladiumusa.com

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Person/Role: James H. Bennett
Email Address: tom@palladiumusa.com
City & State of Home Addr: 13455 Noel Road, Suite 400, Dallas, TX 75240
Applicant Legal Name: Palladium Farmersville, Ltd.

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Person/Role: The Land Experts LLC
Email Address: kimschwimmer@rksgrouprealestate.com
City & State of Home Addr: 1917 Mount McKinley Place, Cedar Hill, TX
Applicant Legal Name: Palladium Farmersville, Ltd.

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Email Address: kimschwimmer@rksgrouprealestate.com
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Person/Role:  
Palladium International S.a.r.l.

Email Address:  
tom@palladiumusa.com

City & State of Home Addr:  
13455 Noel Road, Suite 400, Dallas, TX 75240

Applicant Legal Name:  
Palladium Farmersville, Ltd.

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, Direct Loan (HOME, TCAP, RHD), and BOND) that you have controlled at any time.

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Person/Role: Fiorenza Rancilio

Email Address: tom@palladiumusa.com

City & State of Home Addr: 13455 Noel Road, Suite 400, Dallas, TX 75240

Applicant Legal Name: Palladium Farmersville, Ltd.

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Email Address: tom@palladiumusa.com
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Tab 40 – Nonprofit Participation

Not Applicable
Tab 41 – Nonprofit Supporting Documentation

Not Applicable
Tab 42 – Development Team Members
The requested information on all known Development Team members must be provided. In addition to the categories listed below, the “Other” category should be used to list all known Development Team members that are included in the “Development Cost Schedule.” If the team member that will be utilized is not yet known, indicate “TBD.” If it is anticipated that the Development Team category will not be utilized, indicate “N/A.”

*If there is a direct or indirect, financial, or other interest with Applicant or other team members, provide an attachment behind this form in the Application that explains the relationship(s).

### Developer:

<table>
<thead>
<tr>
<th>Company</th>
<th>Contact Name</th>
<th>Phone</th>
<th>Email</th>
<th>Certified Texas HUB?</th>
<th>This is a direct or indirect, financial, or other interest with Applicant or other team members*</th>
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</thead>
<tbody>
<tr>
<td>Palladium Affordable Housing</td>
<td>Thomas E. Huth</td>
<td>(972) 774-4400</td>
<td><a href="mailto:nhildebrandt@carltonrp.com">nhildebrandt@carltonrp.com</a></td>
<td>No</td>
<td>Yes</td>
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</table>

### Housing General Contractor:

<table>
<thead>
<tr>
<th>Company</th>
<th>Contact Name</th>
<th>Phone</th>
<th>Email</th>
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</thead>
<tbody>
<tr>
<td>Carleton Construction, Ltd.</td>
<td>Neal Hildebrandt</td>
<td>(972) 980-9810</td>
<td><a href="mailto:nhildebrandt@carltonrp.com">nhildebrandt@carltonrp.com</a></td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

### Infrastructure General Contractor:

<table>
<thead>
<tr>
<th>Company</th>
<th>Contact Name</th>
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<tr>
<td>Treymore Construction, Ltd.</td>
<td>Neal Hildebrandt</td>
<td>(972) 980-9810</td>
<td><a href="mailto:nhildebrandt@carltonrp.com">nhildebrandt@carltonrp.com</a></td>
<td>No</td>
<td>No</td>
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### Cost Estimator:

<table>
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<tr>
<th>Company</th>
<th>Contact Name</th>
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<tbody>
<tr>
<td>Palladium USA International, Inc.</td>
<td>Scott Johnson</td>
<td>(972) 774-4450</td>
<td><a href="mailto:sjohnson@palladiumusa.com">sjohnson@palladiumusa.com</a></td>
<td>No</td>
<td>Yes</td>
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### Architect:

<table>
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<tr>
<th>Company</th>
<th>Contact Name</th>
<th>Phone</th>
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<th>Certified Texas HUB?</th>
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<tbody>
<tr>
<td>Cross Architects</td>
<td>Brian Rumsey</td>
<td>(972) 312-8666</td>
<td><a href="mailto:brumsey@crossarchitects.com">brumsey@crossarchitects.com</a></td>
<td>No</td>
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## Engineer:

<table>
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<th>Organization</th>
<th>Contact Name</th>
<th>Phone</th>
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<tbody>
<tr>
<td>Cross Engineering Consultants, Inc.</td>
<td>Johnathan Hake</td>
<td>(972) 562-4409</td>
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<table>
<thead>
<tr>
<th>Email</th>
<th>Proposed Fee</th>
<th>Tax ID Number (TIN)</th>
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</thead>
<tbody>
<tr>
<td><a href="mailto:jhake@crossengineering.biz">jhake@crossengineering.biz</a></td>
<td>TBD</td>
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| Certified Texas HUB? | No |

| This is a direct or indirect, financial, or other interest with Applicant or other team members* | No |

## Civil Engineer:

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<td>Cross Engineering Consultants, Inc.</td>
<td>Johnathan Hake</td>
<td>(972) 562-4409</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Email</th>
<th>Proposed Fee</th>
<th>Tax ID Number (TIN)</th>
</tr>
</thead>
<tbody>
<tr>
<td><a href="mailto:jhake@crossengineering.biz">jhake@crossengineering.biz</a></td>
<td>TBD</td>
<td>TBD</td>
</tr>
</tbody>
</table>

| Certified Texas HUB? | No |

| This is a direct or indirect, financial, or other interest with Applicant or other team members* | No |

## Market Analyst:

<table>
<thead>
<tr>
<th>Organization</th>
<th>Contact Name</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apartment MarketData, LLC</td>
<td>Darrel Jack</td>
<td>(210) 530-0040</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Email</th>
<th>Proposed Fee</th>
<th>Tax ID Number (TIN)</th>
</tr>
</thead>
<tbody>
<tr>
<td><a href="mailto:djack@stic.net">djack@stic.net</a></td>
<td>TBD</td>
<td>20-3964998</td>
</tr>
</tbody>
</table>

| Certified Texas HUB? | No |

| This is a direct or indirect, financial, or other interest with Applicant or other team members* | No |

## Appraiser:

<table>
<thead>
<tr>
<th>Contact Name</th>
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</tr>
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<tbody>
<tr>
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</table>

## Attorney:

<table>
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<tr>
<th>Organization</th>
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<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shackelford Melton &amp; McKinley</td>
<td>John Shackelford</td>
<td>(214) 780-1400</td>
</tr>
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</table>

<table>
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</thead>
<tbody>
<tr>
<td><a href="mailto:jshack@shacklaw.net">jshack@shacklaw.net</a></td>
<td>TBD</td>
<td>75-2967456</td>
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</table>

| Certified Texas HUB? | No |

| This is a direct or indirect, financial, or other interest with Applicant or other team members* | No |

## Accountant:

<table>
<thead>
<tr>
<th>Organization</th>
<th>Contact Name</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Novogradic &amp; Company LLP</td>
<td>George Littlejohn</td>
<td>(512) 651-0220</td>
</tr>
</tbody>
</table>

<table>
<thead>
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</tr>
</thead>
<tbody>
<tr>
<td><a href="mailto:george.littlejohn@novoco.com">george.littlejohn@novoco.com</a></td>
<td>TBD</td>
<td>TBD</td>
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| Certified Texas HUB? | No |

| This is a direct or indirect, financial, or other interest with Applicant or other team members* | No |
### Property Manager:

<table>
<thead>
<tr>
<th>Contact Name</th>
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</thead>
<tbody>
<tr>
<td>Omnium Management</td>
<td>(972) 774-4436</td>
</tr>
<tr>
<td>Fred D'Lizarraga</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:davidn.payne@regions.com">davidn.payne@regions.com</a></td>
<td>TBD</td>
</tr>
<tr>
<td>Email</td>
<td>Proposed Fee</td>
</tr>
<tr>
<td>Certified Texas HUB?</td>
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</tr>
<tr>
<td>This is a direct or indirect, financial, or other interest with Applicant or other team members*</td>
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</table>

### Originator of Underwriter:

<table>
<thead>
<tr>
<th>Contact Name</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regions Bank</td>
<td>(601) 790-8269</td>
</tr>
<tr>
<td>David Payne</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:davidn.payne@regions.com">davidn.payne@regions.com</a></td>
<td>TBD</td>
</tr>
<tr>
<td>Email</td>
<td>Proposed Fee</td>
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<td>This is a direct or indirect, financial, or other interest with Applicant or other team members*</td>
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### Bond Issuer:

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### Syndicator:

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<tbody>
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<td>Regions Bank</td>
<td>(601) 790-8269</td>
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<tr>
<td>David Payne</td>
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<tr>
<td><a href="mailto:davidn.payne@regions.com">davidn.payne@regions.com</a></td>
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### Supportive Services Provider:

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<tr>
<td>This is a direct or indirect, financial, or other interest with Applicant or other team members*</td>
<td></td>
</tr>
<tr>
<td>Title Company</td>
<td>Becky Brusilow</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td>Contact Name</td>
<td></td>
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<td>Email</td>
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<td>Application Consultant:</td>
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<td>ESA Provider:</td>
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<tr>
<td>Phase Engineering</td>
<td>Tracy Watson</td>
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<tr>
<td>Contact Name</td>
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<td>PCA Provider:</td>
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<td>This is a direct or indirect, financial, or other interest with Applicant or other team members*</td>
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<td>Other:</td>
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<tr>
<td>The Land Experts LLC</td>
<td>Kim Schwimmer</td>
</tr>
<tr>
<td>Contact Name</td>
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<td>Email</td>
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<td>This is a direct or indirect, financial, or other interest with Applicant or other team members*</td>
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</tr>
<tr>
<td>This is a direct or indirect, financial, or other interest with Applicant or other team members*</td>
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</tr>
</tbody>
</table>
Development Team Members

The Applicant and different Development Team Members have an indirect relationship with the following organizations:

Applicant - Affiliates of the Applicant are also Affiliates of the Developer, Cost Estimator, The Land Experts and Property Manager.
Tab 43 – Architect Certification
The form for the certification will be posted to the Department’s website at http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm.

NOTE: The certification requires a separate statement be submitted that describes how the accessibility requirements for the physically accessible hearing and visual impaired Units will be met, along with related parking requirements. Be sure this statement is attached to this certification.
Architect Certification

I (We) certify that the Development will be designed and built to meet the accessibility requirements of the Federal Fair Housing Act as implemented by HUD at 24 C.F.R. Part 100 and the Fair Housing Act Design Manual, Titles II and III of the Americans with Disabilities Act (42 U.S.C. Sections 12131-12189) as implemented by the Department of Justice regulations at 28 C.F.R. Parts 35 and 36, and the Department’s Accessibility rules in 10 TAC Chapter 1, Subchapter B, in effect at the time of certification.

I (we) certify that all materials submitted to the Department by the Architect or Applicant constitute records of the Department subject to Chapter 552, Tex. Gov’t Code, and the Texas Public Information Act.

I (We) certify that in accordance with Section 504 of the Rehabilitation Act of 1973 and implemented at 24 C.F.R. Part 8, if the Development includes the New Construction or substantial rehabilitation of multifamily units (4 or more units per building), at least five percent (5%) of all dwelling units will be designed and built to be accessible for persons with mobility impairments. A unit that is on an accessible route and is adaptable and otherwise compliant with the 2010 ADA Standards with the exceptions listed in “Nondiscrimination on the Basis of Disability in Federally Assisted Programs and Activities” (Federal Register 79 FR 29671) meets this requirement. In addition, at least two percent (2%) of all dwelling units will be designed and built to be accessible for persons with hearing or vision impairments.

I (We) have attached a statement describing how the requirements Section 504 of the Rehabilitation Act of 1973 and implemented at 24 C.F.R. Part 8 will be met as described in 10 TAC Chapter 1, Subchapter B. At a minimum, the statement will include (1) The total number of Units (2) Number and description of Unit types, the number of Units of each Type, (3) Number of Units of each Type that will meet the accessibility requirements, and (4) a description of how the accessibility requirements relating to Unit distribution will be met.

I (We) certify that if the Development includes the New Construction or Rehabilitation of single family units (1 to 3 units per building), every unit will be designed and built to meet the accessibility requirements of Tex. Gov’t Code §2306.514, as it may be amended from time to time.

I (We) have attached a statement describing how, regardless of building type, all Units accessed by the ground floor or by elevator (“affected units”) meet the requirements at 10 TAC §10.101(b)(8)(B).

I(We) certify that all accessible Units under 10 TAC Chapter 1, Subchapter B, and all affected Units meeting the requirements under 10 TAC 10.101(b)(8)(B) will be dispersed throughout the Development.
If the Applicant is applying for HOME funds and the Development consists of New Construction, I (We) further certify that the Development meets the Construction Site Standards in 24 C.F.R §983.57(e)(1).

This certification meets the requirement that the Applicant provide a certification from the Development engineer or an accredited architect. A similar certification will also be required after the Development is completed from an inspector, architect, or accessibility specialist.

By: [Signature]

Date: 01-10-2018

Printed Name: BRIAN RUMSEY

License Number and State: 18154 TX

Firm Name (If applicable): CROSS ARCHITECTS
January 24, 2018

To: Mr. Ryan Combs
Palladium USA International, Inc.
13455 Noel Road #400
Dallas, Texas 75240
P: 972.774.4435

Re: Palladium-Farmersville
Farmersville, Texas

Mr. Combs,

Per the attached Architect Certification for Palladium Farmersville, all accessibility requirements have been met for both the physically accessible and the hearing/visual impaired. Per the attached Unit Tabulation sheet, the total number of units for the project is 80, and of those, 4 units will be HC Accessible and 3 units will meet the requirements for hearing/visual impaired. The total number of parking spaces for the entire project is 169 spaces, and the total number of HC accessible parking spaces is 13. The total amount of ADA parking spaces meets all HC requirements and provides access to any part of the property.

Please contact our office with any questions or comments.

Best Regards,

[Signature]

Brian Rumsey, NCARB
Cross Architects, PLLC
## Unit Tabulation

**Project Name:** Palladium-Farmersville  
**Project Number:** TBD  
**Date:** 01.24.2018

<table>
<thead>
<tr>
<th>Unit</th>
<th>Description</th>
<th>Accessible Units (504)</th>
<th>Hearing/Visual Impaired Units</th>
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<tbody>
<tr>
<td>A1</td>
<td>One Bedroom/One Bath</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>B1</td>
<td>Two Bedroom/Two Bath</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>C1</td>
<td>Three Bedroom/Two Bath</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Totals:</strong></td>
<td></td>
<td><strong>4</strong></td>
<td><strong>3</strong></td>
</tr>
</tbody>
</table>

**Total Number of Units:** 80
Tab 44 – Experience Certificate
Evidence of Experience Must be Provided Behind this Tab

Pursuant to §10.204(6) of the Uniform Multifamily Rules, a Principal of the Developer, Development Owner, or General Partner must establish that they have experience in the development of 150 units or more.

Evidence of experience behind this tab includes:

- An Experience certificate issued by the Department under the 2014-2018 Uniform Multifamily Rules.
- An Application for experience and supporting documentation in accordance with §10.204(6)(A)(i) through (ix)
- Evidence from the Department that the application for experience was received and is being processed by the Department.

Alternatively, pursuant to §13.5(d)(1) of the Multifamily Direct Loan Rule, Applicants requesting MFDL as the only source of Department funds may meet the Experience Requirement by providing evidence of the successful development and operation for at least 5 years of at least twice as many affordability restricted units as requested in the Application.

- Documentation provided behind this tab meets the alternative Experience Requirement in §13.5(d)(1).

DUNS Number and System for Award Management (SAM.gov) registration (Direct Loan Applications Only)

The Office of Management and Budget (OMB) requires grant applicants to provide a Dunn and Bradstreet (D&B) Data Universal Numbering System (DUNS) number when applying for Federal grants, including Direct Loan funds, on or after October 1, 2003. The DUNS number will supplement other identifiers required by statute or regulation, such as tax identification numbers. To apply for a DUNS number applicants can go to the Dunn & Bradstreet website: http://fedgov.dnb.com/webform

Once applicants have obtained a DUNS number, they must register with the SAM database: https://sam.gov/portal/public/SAM

Applicants may provide this information with the Application or upon award.

- Evidence of SAM.gov registration for the applicant entity is attached behind this tab.

Davis Bacon Labor Standards (Section 811 PRA Program and Direct Loan Applications)

24 CFR §92.354, Davis-Bacon Act (40 U.S.C. §276(a)-276(a)(5), the Davis-Bacon Related Acts, the Contract Work Hours and Safety Standards Act, and the Copeland (Anti-Kickback) Act (40 U.S.C. §276(c)) apply to developments being assisted with Direct Loan funds if (Select all that apply):

- Twelve (12) or more Direct Loan or Section 811 PRA-assisted units will be rehabilitated or constructed under one construction contract.
  The Section 811 PRA units and Direct Loan Units are not cumulative. For example, if a proposed development has ten Section 811 PRA units and ten Direct Loan-assisted units, Davis Bacon would not be triggered.
- Community Development Block Grant (CDBG) funds are being used to support the Development, which requires a lower number of units (8) be used as a threshold.

Applicants electing to participate in the Section 811 PRA Program either by committing an Existing Development to the Section 811 PRA Program or by committing a Proposed Development in this Application are encouraged to review §PRA.213 Davis Bacon Labor Standards in the Section 811 Program Guidelines, found on the TDHCA webpage at http://www.tdhca.state.tx.us/section-811-pra/resource-documents.htm

Existing Developments where construction is fully complete before an application for a Proposed Development is submitted to the Department to receive assistance under the 811 PRA program are not subject to Davis-Bacon or Contract Work Hours and Safety Standards Act requirements.

Affirmative Marketing Plan (Direct Loan Applications Only)

Complete and submit HUD’s Affirmative Marketing Plan form (Form 935.2 or successors). This form may be found on the Department’s website at

http://www.tdhca.state.tx.us/home-division/mf-home/index.htm

The Affirmative Marketing Plan must comply with the Affirmative Marketing requirements in the Compliance Rules.

HUD approval is not necessary unless the property receives project-based Section 8 assistance.
December 6, 2016

Tom Huth
13455 Noel Road, Suite 400
Dallas, Texas 75240

RE: REQUEST FOR EXPERIENCE CERTIFICATE UNDER 2017 UNIFORM MULTIFAMILY RULES

Dear Mr. Huth:

We have reviewed your request for an experience certificate, which is provided to individuals that meet the requirements of §10.204(6) of the Uniform Multifamily Rules. In order to meet the experience requirements an individual must establish that they have experience in the development and placement in service of at least 150 residential units. We find that the documentation you have provided is sufficient to establish this required experience. Additionally, you have certified to compliance with the requirements of §10.204(6)(B), including the following requirements:

(ii) Experience may not be established for a Person who at any time within the preceding three years has been involved with affordable housing in another state, in which the Person or Affiliate has been the subject of issued IRS Form 8823 citing non-compliance that has not been or is not being corrected with reasonable due diligence. ...

(iv) Notwithstanding the foregoing, no person may be used to establish such required experience if that Person or an Affiliate of that Person would not be eligible to be an Applicant themselves.

Should you choose to participate as a member of the Development Team or an individual providing experience for any Application submitted for funding, a Previous Participation Review (10 TAC §1.5) may be conducted prior to any award of funds. Additionally, should it be determined at any point in time that the information provided in your request for experience is fraudulent, knowingly falsified, intentionally or negligibly materially misrepresented, or omits relevant information, this certificate of experience is null and void and you may be subject to other sanctions under the Texas Department of Housing and Community Affairs' rules and requirements.
If you have any questions or concerns regarding this certificate or the experience requirements, please contact Marni Holloway at marni.holloway@tdhca.state.tx.us.

Sincerely,

Marni Holloway
Director of Multifamily Finance
Tab 45 – 9% Applicant
Credit Limit Documentation
and Certification
Applicant Credit Limit Documentation and Certification (Competitive HTC Only)

Pursuant to §11.4(a) of the Qualified Allocation Plan, the Department shall not allocate more than $3 million of Competitive Housing Tax Credits from the current Application Round to any Applicant, Developer, Affiliate or Guarantor (unless the Guarantor is also the General Contractor, and is not a Principal of the Applicant, Developer, or Affiliate of the Development Owner). All Applications must be identified herein to ensure that the Department is advised of all Applications, Applicants, Affiliates, Developers, General Partners or Guarantors involved to avoid any statutory violation of Texas Government Code, §2306.6711(b).

Instructions:
Complete Part I of this form. For each person or entity in Part I that answers "Yes" to Part I b., a Part II form must be submitted (i.e. if 4 persons/entities answer "Yes" to Part I b., then 4 separate Part II forms must be provided).

Part I. Applicant Credit Limit Documentation

<table>
<thead>
<tr>
<th>a. Applicant, Developers, Affiliates, and Guarantors - List below all entities or Persons meeting the definition of Applicant, Affiliate, Developer or Guarantor.</th>
<th>b. Person/entity has at least one other application in the current Application Round.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Palladium Farmersville, Ltd.</td>
<td>No</td>
</tr>
<tr>
<td>2. Palladium Farmersville GP, LLC</td>
<td>No</td>
</tr>
<tr>
<td>3. Palladium Farmersville GP Mgr, Inc.</td>
<td>No</td>
</tr>
<tr>
<td>4. Palladium USA, Inc.</td>
<td>Yes Submit Part II</td>
</tr>
<tr>
<td>5. Palladium Italia S.r.l.</td>
<td>Yes Submit Part II</td>
</tr>
<tr>
<td>6. Geplant N.V.</td>
<td>Yes Submit Part II</td>
</tr>
<tr>
<td>7. Palladium International S.a.r.l.</td>
<td>Yes Submit Part II</td>
</tr>
<tr>
<td>8. Palladium Affordable Housing Development Farmersville, LLC</td>
<td>No</td>
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<tr>
<td>9. Palladium USA International, Inc.</td>
<td>Yes Submit Part II</td>
</tr>
<tr>
<td>10. Thomas E. Huth</td>
<td>Yes Submit Part II</td>
</tr>
<tr>
<td>11. The Land Experts LLC</td>
<td>Yes Submit Part II</td>
</tr>
<tr>
<td>12. Kim Schwimmer</td>
<td>Yes Submit Part II</td>
</tr>
<tr>
<td>13. James H. Bennett</td>
<td>Yes Submit Part II</td>
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<tr>
<td>14. Cesare Rancilio</td>
<td>Yes Submit Part II</td>
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<tr>
<td>15. Fiorenza Rancilio</td>
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</tr>
</tbody>
</table>

Individually, or as the General Partner(s) of officer(s) of the Applicant entity, I (we) certify that we are submitting behind this tab one signed Credit Limit Certification form for each person and/or entity that answered "Yes" to Part b. above.

By: ______________________________ Signature of Applicant

Date: 1-22-2018

Its: Authorized Representative
Part II. Credit Limit Certification

Instructions:
Each Person and/or Entity that answered "Yes" to Part 1 (b) must complete this form.

Name and role of Person or Entity completing this form: Palladivm USA, Inc.

Which is:  
- [ ] the Applicant (Entity that generally manages or controls the "Applicant," i.e. General Partner, Managing Partner, etc.)
- [ ] a Special Limited Partner or Class B Limited Partner or equivalent of the Applicant
- [ ] a Developer for the Applicant for this specific Application
- [x] an Affiliate to the Applicant
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Pursuant to §11.4(a) of the Qualified Allocation Plan, the Department shall not allocate more than $3 million of tax credits from the current Application Round to any Applicant, Developer, Affiliate or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Affiliate, or Guarantor, has applied for an allocation of tax credit authority from the Department in the current Application Round.

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I acknowledge that Thomas E. Huth is authorized to terminate the Application in the event of a conflict with §11.4(a) of the Qualified Allocation Plan.

I hereby certify that the foregoing is a complete list of Developments with respect to which I am seeking a current allocation of tax credit authority from the Department. I certify that, if the Department makes a recommendation to the Board or issues a commitment which may cause Applications for which I am the Applicant, the Developer, Affiliate or Guarantor, to receive credits in excess of $3 million, I will notify the Department in writing within three business days of the recommendation or issuance of the Commitment.

I acknowledge that if the Department determines that an Applicant, Developer, Affiliate or Guarantor, has received (in the aggregate) allocations in the current Application Round from the Department exceeding $3 million, the Department must refuse to issue one or more Commitments or Carryover Allocations, or must terminate one or more Commitments or Carryover Allocations.

Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate:

By: ____________________________  Signature of Applicant, Developer, Affiliate or Guarantor (as appropriate)

Palladivm USA, Inc.

Printed Name

Date: 1-22-18
Part II. Credit Limit Certification

Instructions:
Each Person and/or Entity that answered "Yes" to Part 1 (b) must complete this form.

Name and role of Person or Entity completing this form:

Which is:  
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Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate:

By: [Signature]

Palladium Italia S.r.l.

Date: 1-22-18
Part II. Credit Limit Certification

Instructions:
Each Person and/or Entity that answered "Yes" to Part 1 (b) must complete this form.

Name and role of Person or Entity completing this form: Geplant N.V.

Which is:  
☐ the Applicant (Entity that generally manages or controls the "Applicant," i.e. General Partner, Managing Partner, etc.)
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Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate:

By: ________________________________  Geplant N.V.  1-22-18
Signature of Applicant, Developer, Affiliate or Guarantor (as appropriate)  Printed Name  Date
Part II. Credit Limit Certification

Instructions:
Each Person and/or Entity that answered "Yes" to Part 1 (b) must complete this form.

Name and role of Person or Entity completing this form:

Which is:  
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Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate:

By: [Signature]

Printed Name

Date
Part II. Credit Limit Certification

Instructions:
Each Person and/or Entity that answered "Yes" to Part 1 (b) must complete this form.

Name and role of Person or Entity completing this form:

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Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate:

By: _____________________________  
Signature of Applicant, Developer, Affiliate or Guarantor (as appropriate)  
Date: 1-22-18  
Printed Name: _____________________________  
Palladium USA International, Inc.
Part II. Credit Limit Certification

Instructions:
Each Person and/or Entity that answered "Yes" to Part I (b) must complete this form.

Name and role of Person or Entity completing this form: [Signature]

Which is:  
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Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate.

By: [Signature]
Signature of Applicant, Developer, Affiliate or Guarantor (as applicable)

Thomas E. Huth
Printed Name

Date: 1-22-18
Part II. Credit Limit Certification

Instructions:
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Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate:

By: [Signature] [Printed Name] [Date]
Part II. Credit Limit Certification

Instructions:
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Name and role of Person or Entity completing this form: Kim Schwimmer

Which is: □ the Applicant (Entity that generally manages or controls the "Applicant," i.e. General Partner, Managing Partner, etc.)
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I acknowledge that Thomas E. Huth is authorized to terminate the Application in the event of a conflict with §11.4(a) of the Qualified Allocation Plan.

I hereby certify that the foregoing is a complete list of Developments with respect to which I am seeking a current allocation of tax credit authority from the Department. I certify that, if the Department makes a recommendation to the Board or issues a commitment which may cause Applications for which I am the Applicant, the Developer, Affiliate or Guarantor, to receive credits in excess of $3 million, I will notify the Department in writing within three business days of the recommendation or issuance of the Commitment.

I acknowledge that if the Department determines that an Applicant, Developer, Affiliate or Guarantor, has received (in the aggregate) allocations in the current Application Round from the Department exceeding $3 million, the Department must refuse to issue one or more Commitments or Carryover Allocations, or must terminate one or more Commitments or Carryover Allocations.

Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate:

By: [Signature] Kim Schwimmer (Printed Name) 1/19/2019
Part II. Credit Limit Certification

Instructions:
Each Person and/or Entity that answered "Yes" to Part 1 (b) must complete this form.

Name and role of Person or Entity completing this form: Cesare Rondilio

Which is: [ ] the Applicant (Entity that generally manages or controls the "Applicant," i.e. General Partner, Managing Partner, etc.)
[ ] a Special Limited Partner or Class B Limited Partner or equivalent of the Applicant
[ ] a Developer for the Applicant for this specific Application
[ ] an Affiliate to the Applicant
[ ] a Guarantor on the Application

Pursuant to §11.4(a) of the Qualified Allocation Plan, the Department shall not allocate more than $3 million of tax credits from the current Application Round to any Applicant, Developer, Affiliate or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Affiliate, or Guarantor, has applied for an allocation of tax credit authority from the Department in the current Application Round.

<table>
<thead>
<tr>
<th>Development Name</th>
<th>Region</th>
<th>City</th>
<th>% Ownership</th>
<th>% of Dev. Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Palladium Celina Senior Living</td>
<td>3</td>
<td>Celina</td>
<td>70.00%</td>
<td>90.00%</td>
</tr>
<tr>
<td>Palladium Farm Street</td>
<td>3</td>
<td>Fort Worth</td>
<td>70.00%</td>
<td>90.00%</td>
</tr>
<tr>
<td>Palladium Farmersville</td>
<td>3</td>
<td>Farmersville</td>
<td>70.00%</td>
<td>90.00%</td>
</tr>
<tr>
<td>Palladium Teasley Lane</td>
<td>3</td>
<td>Denton</td>
<td>70.00%</td>
<td>90.00%</td>
</tr>
<tr>
<td>Palladium Crowley</td>
<td>3</td>
<td>Crowley</td>
<td>70.00%</td>
<td>90.00%</td>
</tr>
<tr>
<td>Palladium Lancaster</td>
<td>3</td>
<td>Lancaster</td>
<td>70.00%</td>
<td>90.00%</td>
</tr>
</tbody>
</table>

I acknowledge that Thomas E. Huth is authorized to terminate the Application in the event of a conflict with §11.4(a) of the Qualified Allocation Plan.

I hereby certify that the foregoing is a complete list of Developments with respect to which I am seeking a current allocation of tax credit authority from the Department. I certify that, if the Department makes a recommendation to the Board or issues a commitment which may cause Applications for which I am the Applicant, the Developer, Affiliate or Guarantor, to receive credits in excess of $3 million, I will notify the Department in writing within three business days of the recommendation or issuance of the Commitment.

I acknowledge that if the Department determines that an Applicant, Developer, Affiliate or Guarantor, has received (in the aggregate) allocations in the current Application Round from the Department exceeding $3 million, the Department must refuse to issue one or more Commitments or Carryover Allocations, or must terminate one or more Commitments or Carryover Allocations.

Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate:

By: Cesare Rondilio

Date: 01-22-18
Part II. Credit Limit Certification

Instructions:
Each Person and/or Entity that answered "Yes" to Part 1 (b) must complete this form.

Name and role of Person or Entity completing this form:
Florenza Rancilio

Which is:  
☐ the Applicant (Entity that generally manages or controls the "Applicant," i.e. General Partner, Managing Partner, etc.)
☐ a Special Limited Partner or Class B Limited Partner or equivalent of the Applicant
☐ a Developer for the Applicant for this specific Application
☒ an Affiliate to the Applicant
☐ a Guarantor on the Application

Pursuant to §11.4(a) of the Qualified Allocation Plan, the Department shall not allocate more than $3 million of tax credits from the current Application Round to any Applicant, Developer, Affiliate or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Affiliate, or Guarantor, has applied for an allocation of tax credit authority from the Department in the current Application Round.

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<th>% Ownership:</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Palladium Celina Senior Living</td>
<td>3</td>
<td>Celina</td>
<td>70.00%</td>
<td>90.00%</td>
</tr>
<tr>
<td>Palladium Fair Street</td>
<td>3</td>
<td>Fort Worth</td>
<td>70.00%</td>
<td>90.00%</td>
</tr>
<tr>
<td>Palladium Farmersville</td>
<td>3</td>
<td>Farmersville</td>
<td>70.00%</td>
<td>90.00%</td>
</tr>
<tr>
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<td>90.00%</td>
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I hereby certify that the foregoing is a complete list of Developments with respect to which I am seeking a current allocation of tax credit authority from the Department. I certify that, if the Department makes a recommendation to the Board or issues a commitment which may cause Applications for which I am the Applicant, the Developer, Affiliate or Guarantor, to receive credits in excess of $3 million, I will notify the Department in writing within three business days of the recommendation or issuance of the Commitment.

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Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate:

By: ____________________________  Printed Name: ____________________________  Date: 01-22-18
Part II. Credit Limit Certification

Instructions:
Each Person and/or Entity that answered "Yes" to Part 1 (b) must complete this form.

Name and role of Person or Entity completing this form: [Signature] James H. Bennett

Which is: □ the Applicant (Entity that generally manages or controls the "Applicant," i.e. General Partner, Managing Partner, etc.)
 □ a Special Limited Partner or Class B Limited Partner or equivalent of the Applicant
 □ a Developer for the Applicant for this specific Application
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</thead>
<tbody>
<tr>
<td>Palladium Celina Senior Living</td>
<td>3</td>
<td>Celina</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Palladium Fain Street</td>
<td>3</td>
<td>Fort Worth</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Palladium Farmersville</td>
<td>3</td>
<td>Farmersville</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
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</tr>
</tbody>
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Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate:

By: [Signature] James H. Bennett

Printed Name: James H. Bennett

Date: 1/22/18
Part 6 – Community Input Scoring
Items (Tab 46)
Tab 46 – Community Input Scoring Items
<table>
<thead>
<tr>
<th>TDHCA#</th>
<th>18069</th>
</tr>
</thead>
</table>

1. **Local Government Support - §11.9(d)(1)**

- X Resolution(s) of either "no objection" or "support" is included behind this tab.**
  
  ** Note that resolutions are due March 1, 2018

2. **Community Support from State Representative - §11.9(d)(5)**

- X Letter of either "support" or "opposition" is included behind this tab.**
  
  ** Note that letters are due March 1, 2018

3. **Input from Community Organizations - §11.9(d)(6)**

- X Applicant has included one or more letters of support or opposition behind this tab.

List information for each of the letters below:

<table>
<thead>
<tr>
<th>Name of Community Organization</th>
<th>Support</th>
<th>Opposition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Farmersville Chamber of Commerce</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name of Community Organization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lisa Eastman</td>
<td>X Support</td>
<td></td>
</tr>
<tr>
<td>Contact Name</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>B. Farmersville Outreach Alliance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name of Community Organization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Judy Brandon</td>
<td>X Support</td>
<td></td>
</tr>
<tr>
<td>Contact Name</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>C. Apartment Life</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name of Community Organization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dave Marshall</td>
<td>X Support</td>
<td></td>
</tr>
<tr>
<td>Contact Name</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>D. Assistance Center of Collin County</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name of Community Organization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yvonne P. Booker</td>
<td>X Support</td>
<td></td>
</tr>
<tr>
<td>Contact Name</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>E.</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name of Community Organization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contact Name</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>F.</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name of Community Organization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contact Name</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Tab 46 – Local Government Support
CITY OF FARMERSVILLE
RESOLUTION #R-2018-0109-002

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FARMERSVILLE, TEXAS, SUPPORTING THE PROPOSED PALLADIUM FARMERSVILLE DEVELOPMENT IN AN AREA LOCATED SOUTH OF U.S. HIGHWAY 380 AND WEST OF COUNTY ROAD 607 IN THE CITY OF FARMERSVILLE, COLLIN COUNTY, TEXAS.

WHEREAS, the City of Farmersville, Texas (the "City") is a Type A General Law municipality located in Collin County, Texas, created and operating in accordance with the provisions of the Texas Local Government Code; and

WHEREAS, Palladium Farmersville Ltd., has proposed to build an affordable rental housing development in an area located south of U.S. Highway 380 and west of County Road 607 in the City to be named Palladium Farmersville; and

WHEREAS, the City has been informed by Palladium Farmersville, Ltd., that it intends to submit an application to the Texas Department of Housing and Community Affairs ("TDHCA") for 2018 Competitive 9% Housing Tax Credits for Palladium Farmersville; and

WHEREAS, the City wishes to formally express its support to TDHCA regarding a proposed affordable rental housing development named Palladium Farmersville to be constructed in an area south of U.S. Highway 380 and west of County Road 607 in the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FARMERSVILLE, TEXAS, THAT;

Section 1. The City Council of the City ("City Council") hereby confirms that it supports the proposed development of Palladium Farmersville which development will be located in an area south of U.S. Highway 380 and west of County Road 607 in the City.

Section 2. The City Council hereby directs Sandra Green, Farmersville City Secretary, to certify this resolution and promptly forward a certified copy hereof to the Texas Department of Housing and Community Affairs.

DULY PASSED AND APPROVED by the City Council of the City of Farmersville, Texas this the 9th Day of January, 2018.

APPROVED:

Diane C. Piwko, Mayor
ATTEST:

[Signature]
Sandra Green, City Secretary

[City of Farmersville, Texas Stamp]
Tab 46 – Community Support from State Representative
January 5, 2018

Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

RE: Palladium Farmersville

To Whom It May Concern,

I am writing this letter in support of Palladium Farmersville apartment community's 2018 application for Housing Tax Credits. The proposed legal description of the project is: Farmersville Market Center II, Lot 4

The Palladium Farmersville is within my district and I look forward to working with local leaders to ensure the success of this project.

Please do not hesitate to contact me if I can be of further assistance.

Sincerely,

Justin Holland
State Representative
Tab 46 – Input from Community Organizations
December 14, 2017

Mrs. Marni Holloway
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701

RE: Proposed Palladium Farmersville – located on the south side of 380 and west of 607, City of Farmersville, Collin County, Texas

Mrs. Holloway,

I am writing this letter of support for the 2018 application round of Housing Tax Credits for the proposed Palladium Farmersville apartment community, located on the south side of 380 and west of 607, City of Farmersville, Collin County, Texas.

The Farmersville Chamber of Commerce is a tax-exempt organization and has the overall betterment, development, and improvement of the community as a whole as our primary purpose. Please see the enclosures as evidence of our tax-exempt status and our existence and participation in the community.

The Palladium Farmersville is within our service area and we look forward to working with this affordable apartment community once constructed. If you have any questions, please feel free to contact me.

Sincerely,

Lisa Eastman, Executive Director

---

Chamber Event Opportunities
Morning Network
Chamber Business Lunch
Annual Banquet in March
Community Shed Sale in April
Car Show & Music Fest in June
Casino Night in May
BugTussle in August
Trick It Up Bike Ride in October
Scare Around The Square in October
Christmas Parade in December

Chamber Board of Directors
Paula Jackson, President
Joe Helmberger, Pres. Elec.
John Hickman
Chris Nickell
Matt Crowder
Roy Homfld
Dustin Tarrant
Jeff Adams
Pursuant to the provisions of Article 9.01 of the Texas Non-Profit Corporation Act, the undersigned corporation hereby files its report setting forth:

1. The name of the corporation is:
   Farmersville Chamber of Commerce

2. It is incorporated under the laws of: Texas

3. The street address of the registered office of the corporation in the state of Texas is: 106 N Main, Farmersville, TX 75051

4. Its registered agent at such address is: Bob Poole

5. If a foreign corporation, the street address of its principal office in the state or country under the laws of which it is incorporated is:

6. The names and respective addresses of its directors (or trustees, etc.) and officers are:

   Name       Office       Address
   -----------------       -----------------       -----------------
   David Brooks    President    106 N Main, Farmersville, TX 75051
   David Montgomery     Vice President    106 N Main, Farmersville, TX 75051
   Charlette Blinn     Secretary    106 N Main, Farmersville, TX 75051
   Sharon Brox         Office Mgr.-Treasurer    106 N Main, Farmersville, TX 75051

7. The foregoing information is given as of the date of the execution of this report:
   Dated: 4-12-1990

   Name of Corporation: Farmersville Chamber of Commerce
   Authorized Officer: Sharon Brox

NOTE: All items must be completed. Make changes to items 3 and 4 as necessary. Return to Secretary of State, Corporations Section, P.O. Box 13697, Austin, Texas 78711-3697 with $5.00 fee.
PERIODIC REPORT - DOMESTIC NONPROFIT CORPORATION

File Number: 27106901

1. The name of the corporation is: **FARMERSVILLE CHAMBER OF COMMERCE**

2. It is incorporated under the laws of: **TEXAS, USA**

3. The name of the registered agent is: **CHAD WHITAKER**

4. The registered office address, which is identical to the business office address of the registered agent in Texas, is:

   **201 South Main Street, Farmersville, TX, USA 75442**

Consent of Registered Agent

☐ A. A copy of the consent of registered agent is attached.

OR

☑ B. The consent of the registered agent is maintained by the entity.

5. If the corporation is a foreign corporation, the address of its principal office in the state or country under the laws of which it is incorporated, is:

6. The names and addresses of all directors of the corporation are:

<table>
<thead>
<tr>
<th>Director 1: (Individual Name)</th>
<th>Patricia Meguire</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address:</td>
<td>301 McKinney Street, Farmersville, TX, USA 75442</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Director 2: (Individual Name)</th>
<th>Heather Grupido</th>
</tr>
</thead>
</table>
7. The names, addresses and titles of all officers of the corporation are:

<table>
<thead>
<tr>
<th>Officer 1: (Individual Name)</th>
<th>Heather Grupido</th>
<th>Title: President</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address:</td>
<td>604 State Highway 78   Farmersville, TX, USA 75442</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Officer 2: (Individual Name)</th>
<th>Emily Dilliard</th>
<th>Title: Secretary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address:</td>
<td>1009 Gaddy Street  Farmersville, TX, USA 75442</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Officer 3: (Individual Name)</th>
<th>Patricia Meguire</th>
<th>Title: Treasurer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address:</td>
<td>301 McKinney Street  Farmersville, TX, USA 75442</td>
<td></td>
</tr>
</tbody>
</table>

Execution:
The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

Date: January 14, 2013  Patricia M Mequire  
Signature of authorized officer
ARTICLES OF INCORPORATION
OF
FARMERSVILLE CHAMBER OF COMMERCE

We, the undersigned natural persons of the age of 21 years or more, at least two of whom are citizens of the State of Texas, acting as incorporators of a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE I
The name of the corporation is Farmersville Chamber of Commerce.

ARTICLE II
The corporation is a non-profit corporation.

ARTICLE III
The period of its duration is perpetual.

ARTICLE IV
The purpose for which the corporation is organized is to engage in all activities necessary, useful, or expedient, through operative measures, to promote and further the interest of the City of Farmersville, Texas.

This corporation is organized and operated exclusively for the betterment of the City of Farmersville, and other non-profit purposes, and no part of any net earnings shall inure to the benefit of any private member or shareholder.

ARTICLE V
The street address of the initial registered office of the corporation is 106 N. Main, and the post office address is P. O. Box 512, Farmersville, Texas, and the name of its initial registered agent at such address is Bob Poole.

ARTICLE VI
The number of directors constituting the initial board of directors of the corporation is four, and the names and addresses
of the persons who are to serve as the initial directors are:

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Van Drain</td>
<td>Route 3, Farmersville, Texas</td>
</tr>
<tr>
<td>Mont Hendricks</td>
<td>102 Hill Street, Farmersville, Texas</td>
</tr>
<tr>
<td>Bill Harrison</td>
<td>201 Sherry Lane, Farmersville, Texas</td>
</tr>
<tr>
<td>Bob Poole</td>
<td>106 N. Main, Farmersville, Texas</td>
</tr>
</tbody>
</table>

ARTICLE VII

The name and street address of each incorporator is:

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
</tr>
</thead>
<tbody>
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<tr>
<td>Mont Hendricks</td>
<td>102 Hill Street, Farmersville, Texas</td>
</tr>
<tr>
<td>Bill Harrison</td>
<td>201 Sherry Lane, Farmersville, Texas</td>
</tr>
<tr>
<td>Bob Poole</td>
<td>106 N. Main, Farmersville, Texas</td>
</tr>
</tbody>
</table>

In witness whereof, we have hereunto set our hands, this 13th day of January, 1970.

\[Signature\]

Van Drain

Mont Hendricks

Bill Harrison

Bob Poole
STATE OF TEXAS
COUNTY OF COLLIN

I, Troy W. Hart, a Notary Public, do hereby certify that on this 13th day of January, 1970, personally appeared before me Van Drain, Mont Hendricks, Bill Harrison and Bob Poole, who each being by me first duly sworn, severally declared that they are the persons who signed the foregoing document as incorporators, and that the statements therein contained are true.

In witness whereof, I have hereunto set my hand and seal the day and year above written.

(L. S.)

Notary Public in and for Collin County
Texas.

My Commission expires: 7-1-71
Comptroller of Public Accounts
State of Texas
Austin

February 17, 1970

John L. McCraw, Jr.
Attorney at Law
211 N. Tennessee St.
McKinney, Texas 75069

Subject: Farmersville Chamber of Commerce
Charter No. 271,069

Dear Mr. McCraw:

At your request, we examined the Articles of Incorporation of this corporation, together with the outline of the activities for the purpose of determining its status from a franchise tax standpoint.

It is the opinion of this office that so long as the corporation confines its activities exclusively to the purpose or purposes recited in the Articles of Incorporation, it is exempt from the franchise tax.

The Secretary of State is being furnished a copy of this letter for his information.

Yours very truly,

Robert S. Calvert
Comptroller of Public Accounts

KPK: 80/A-7

cc: Corporation Division
Secretary of State
Austin, Texas
FARMERSVILLE CHAMBER OF COMMERCE
201 S MAIN ST
FARMERSVILLE, TX 75442-2209

According to the records of the Comptroller of Public Accounts, the following exemption(s) from Texas taxes apply to the above organization(s):

- Franchise tax, as of 02-17-1970
- Sales and use tax, as of 06-17-1981
  (provide Texas sales and use tax exemption certificate Form 01-339 (Back) to vendor)
- The entity is not exempt from hotel occupancy tax.

Texas taxpayer identification number: 30000707700

This exemption verification is not a substitute for the completed exemption certificates that are required when claiming exemption from Texas taxes. Vendors should be familiar with the requirements for accepting the certificates in good faith from their customers.

This exemption verification does not mean that the organization holds a permit for collecting or remitting any Texas taxes.

Exempt organizations must collect tax on most sales. For more information, please see our publication Exempt Organizations; Sales and Purchases (96-122). Online registration is available.

For information concerning sales taxpayer permit status, please use the vendor search we provide online.

Corporations that are registered in Texas with the Secretary of State must maintain a current registered agent and registered office address. Information is available from Business and Nonprofit Forms page of the Secretary of State's Website. Additionally, out-of-state corporations, limited liability companies, or limited partnerships transacting business in Texas may need to file a Certificate of Authority or Registration with the Texas Secretary of State. More information is available from the Foreign or Out-of-State Entities page on the Secretary of State's Website.

Our publications and other helpful information are available on our website. If you need more information, write to us at exempt.orgs@cpa.texas.gov, or call us at (800) 252-5555.
Save the Date for These Events

Farmersville Chamber of Commerce > Save the Date for These Events

Chamber of Commerce Annual Events for 2018

Thursday Morning Network
Every 2nd & 4th Thursday at 8am at The Red Door
Business Networking for any business, any size, any where.

Be watching for Business After Hours
At Clay Potter Auction Group
At Simplexity Boutique
And, At Foy Inc.

Be watching for a series of Business Luncheons
Starting in January

Business After Hours
At Simplexity Boutique
January 18, 2018 from 5-7pm

Please click HERE to see the Calendar for regular meetings and programs.
Chamber of Commerce
Annual Banquet
March 23, 2018 at 7pm
The Party Venue In Greenville

Community Shed Sale
At The Onion Shed
An MI Committee Event
Tentative Date: April 14, 2018

Cinco de Mayo
An MI Committee Event
May 5, 2018

Casino Night
At Brushy Creek Event Center
Tentative Date: May 19, 2018

Yard of Yard Sales
June 2, 2018 from 9am-3pm

Summer Car Show & Music Fest
Downtown On The Square
An MI Committee Event
June 2, 2018 from 9am-3pm

BugTussle Car Tour
August 25, 2018 at 9am

Trick It Up Bike Ride
October 27, 2018 at 9am

Scare On The Square
An MI Committee Event
October 27, 2018 at 5pm
Chamber of Commerce Christmas Parade
December 8, 2018 at 7pm

FARMERSVILLE COMMUNITY EVENTS
December 21, 2017

Mrs. Marni Holloway
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701

RE: Proposed Palladium Farmersville – located on the south side of 380 and west of 607, City of Farmersville, Collin County, Texas

Mrs. Holloway,

I am writing this letter of support for the 2018 application round of Housing Tax Credits for the proposed Palladium Farmersville apartment community, located on the south side of 380 and west of 607, City of Farmersville, Collin County, Texas.

The Farmersville Outreach Alliance is a tax-exempt organization and has the overall betterment, development, and improvement of the community as a whole as our primary purpose. Please see the enclosures as evidence of our tax-exempt status and our existence and participation in the community.

The Palladium Farmersville is within our service area and we look forward to working with this affordable apartment community once constructed. If you have any questions, please feel free to contact me.

Sincerely,

Judy Brandon, President

Enclosures:
• Proof of tax-exempt status
• Brochure (or screenshot of website showing calendar of events – proof of current activity)
Dear Applicant:

We're pleased to tell you we determined you're exempt from federal income tax under Internal Revenue Code (IRC) Section 501(c)(3). Donors can deduct contributions they make to you under IRC Section 170. You're also qualified to receive tax deductible bequests, devises, transfers or gifts under Section 2055, 2106, or 2522. This letter could help resolve questions on your exempt status. Please keep it for your records.

Organizations exempt under IRC Section 501(c)(3) are further classified as either public charities or private foundations. We determined you're a public charity under the IRC Section listed at the top of this letter.

This supersedes our letter dated February 6, 2014, which we issued with an incorrect effective date of exemption. We updated our records to show your correct effective date as listed at the top of this letter.

If we indicated at the top of this letter that you're required to file Form 990/990-EZ/990-N, our records show you're required to file an annual information return (Form 990 or Form 990-EZ) or electronic notice (Form 990-N, the e-Postcard). If you don't file a required return or notice for three consecutive years, your exempt status will be automatically revoked.

If we indicated at the top of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

Nonprofit Organizations

- Find information on over 1.5 million Nonprofits nationwide.
- Organization name, address, assets, income and IRS subsection.
- Search by organization name, ZIP Code, or Tax ID number (EIN).
- Source is IRS Nonprofit filings. Updated Nov 21 2017 10:16PM

- Listware Online verifies, corrects & enhances Names, Addresses, Phones & Emails. Other services include: NCOA, Business Verify & Property Owners. Check it out now!

Farmersville Outreach Alliance Inc

In Care of Name Judy Brandon
Address 16760 County Road 605
Farmersville, TX 75442-6616
Map

IRS Subsection 501(c)(3) - A religious, educational, charitable, scientific or literary organization.
Type of Foundation Organization which receives a substantial part of its support from a governmental unit or the general public
Type of Organization Corporation
Deductibility Contributions are deductible
Tax I.D. Number 460543916
Exempt Since 02-2014
Form 990 Requirement Not required to file (income less than $50,000)
Last 990 Form Filed 12-2016
Form 990 Amount $0
Classification Food Banks, Food Pantries

Share with others information about this Nonprofit - like the web site, e-mail address, how to donate or any corrections to the data shown.

Post a Message
January 23, 2018

FARMERSVILLE OUTREACH ALLIANCE, INC.
16760 COUNTY ROAD 605
FARMERSVILLE, TX 75442-6616

According to the records of the Comptroller of Public Accounts, the following exemption(s) from Texas taxes apply to the above organization(s):

- Franchise tax, as of 03-01-2012
- Sales and use tax, as of 03-01-2012
  (provide Texas sales and use tax exemption certificate Form 01-339 (Back) to vendor)
- The entity is not exempt from hotel occupancy tax.

Texas taxpayer identification number: 32047138345

This exemption verification is not a substitute for the completed exemption certificates that are required when claiming exemption from Texas taxes. Vendors should be familiar with the requirements for accepting the certificates in good faith from their customers.

This exemption verification does not mean that the organization holds a permit for collecting or remitting any Texas taxes.

Exempt organizations must collect tax on most sales. For more information, please see our publication Exempt Organizations: Sales and Purchases (96-122). Online registration is available.

For information concerning sales taxpayer permit status, please use the vendor search we provide online.

Corporations that are registered in Texas with the Secretary of State must maintain a current registered agent and registered office address. Information is available from Business and Nonprofit Forms page of the Secretary of State's Website. Additionally, out-of-state corporations, limited liability companies, or limited partnerships transacting business in Texas may need to file a Certificate of Authority or Registration with the Texas Secretary of State. More information is available from the Foreign or Out-of-State Entities page on the Secretary of State's Website.

Our publications and other helpful information are available on our website. If you need more information, write to us at exempt.orgs@cpa.texas.gov, or call us at (800) 252-5555.
FOA

Food Pantry
We serve all families with a Farmersville address

Mission Statement:
The mission of the Farmersville Outreach Alliance is to serve the community's needs by providing essential services that improve and enhance lives.

Day: 1st and 3rd Monday
Time: 2:30 - 4:30PM
Address: 803 Windom Street
         Farmersville, TX 75442
Phone: 972-782-7310

The Farmersville Outreach Alliance is a Texas 501c3 non-profit organization.
Despensa de comida
Servimos a todas las familias con una dirección de Farmersville

Misión:
La misión de la Alianza de difusión Farmersville es atender las necesidades de la comunidad proporcionando los servicios esenciales que mejoran vidas.

Día: primer y tercer lunes
tiempo: 2:30-4:30
Dirección: calle de Windom 803
Farmersville, TX 75442

teléfono: 972-782-7310

La Alianza de difusión Farmersville es un Texas 501 c 3 organización sin fines de lucro.
January 21, 2018

Mrs. Marni Holloway  
Texas Department of Housing and Community Affairs  
221 East 11th Street  
Austin, TX 78701

RE: Proposed Palladium Farmersville – located on the south side of 380 and west of 607, City of Farmersville, Collin County, Texas

Mrs. Holloway,

I am writing this letter of support for the 2018 application round of Housing Tax Credits for the proposed Palladium Farmersville apartment community, located on the south side of 380 and west of 607, City of Farmersville, Collin County, Texas.

Apartment Life, Inc. is a tax-exempt organization and has the overall betterment, development, and improvement of the community as a whole as our primary purpose. Please see the enclosures as evidence of our tax-exempt status and our existence and participation in the community.

The Palladium Farmersville is within our service area and we look forward to working with this affordable apartment community once constructed. If you have any questions, please feel free to contact me.

Sincerely,

[Signature]

Dave Marshall  
Apartment Life

Enclosures:
1. Proof of tax-exempt status
2. Brochure (or screenshot of website showing calendar of events – proof of current activity)
### Part I: Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see How to get a TIN on page 3.

**Note:** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

### Part II: Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I subject to backup withholding as a result of a failure to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

### General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

### Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, payments made to you in settlement of payment card and third party network transactions, real estate transactions, mortgage interest paid to you, acquisition or abandonment of secured property, cancellation of debt, or contributions made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from FATCA reporting, is correct.

### Exemptions

Exemptions (see instructions):

- Exempt payee code (if any)
- Exemption from FATCA reporting code (if any)

### Exemption from FATCA Reporting

- TIN
- Social security number
- Employer identification number
- 75 - 28 68 82 1

---

**Form W-9 (Rev. 8-2013)**
January 22, 2018

APARTMENT LIFE, INC.
PO BOX 635
EULESS, TX 76039-0635

According to the records of the Comptroller of Public Accounts, the following exemption(s) from Texas taxes apply to the above organization(s):

- Franchise tax, as of 03-05-2000
- Sales and use tax, as of 03-05-2000
  
  (provide Texas sales and use tax exemption certificate Form 01-339 (Back) to vendor)

The entity is not exempt from hotel occupancy tax.

Texas taxpayer identification number: 32002537648

This exemption verification is not a substitute for the completed exemption certificates that are required when claiming exemption from Texas taxes. Vendors should be familiar with the requirements for accepting the certificates in good faith from their customers.

This exemption verification does not mean that the organization holds a permit for collecting or remitting any Texas taxes.

Exempt organizations must collect tax on most sales. For more information, please see our publication Exempt Organizations: Sales and Purchases (96-122). Online registration is available.

For information concerning sales taxpayer permit status, please use the vendor search we provide online.

Corporations that are registered in Texas with the Secretary of State must maintain a current registered agent and registered office address. Information is available from Business and Nonprofit Forms page of the Secretary of State's Website. Additionally, out-of-state corporations, limited liability companies, or limited partnerships transacting business in Texas may need to file a Certificate of Authority or Registration with the Texas Secretary of State. More information is available from the Foreign or Out-of-State Entities page on the Secretary of State's Website.

Our publications and other helpful information are available on our website. If you need more information, write to us at exempt.orgs@cpa.texas.gov, or call us at (800) 252-5555.
The following list includes tax-exempt organizations that are eligible to receive tax-deductible charitable contributions. Click on the "Deductibility Status" column for an explanation of limitations on the deductibility of contributions made to different types of tax-exempt organizations.

Results are sorted by EIN. To sort results by another category, click on the icon next to the column heading for that category. Clicking on that icon a second time will reverse the sort order. Click on a column heading for an explanation of information in that column.

<table>
<thead>
<tr>
<th>EIN</th>
<th>Legal Name (Doing Business As)</th>
<th>City</th>
<th>State</th>
<th>Country</th>
<th>Deductibility Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>75-2868621</td>
<td>Apartment Life Inc.</td>
<td>Euless</td>
<td>TX</td>
<td>United States</td>
<td>PC</td>
</tr>
</tbody>
</table>
A SMALL INVESTMENT ON YOUR PART CAN PAY BIG DIVIDENDS.

Your CARES Team can help create a sense of community that really pays off in exchange for the following:

An Apartment
A standard two bedroom, two bath apartment provided rent-free to the CARES Team.

A Small Monthly Fee
A monthly fee covers a portion of Apartment Life’s overhead as a non-profit organization.

An Activity Budget
This monthly allocation covers onsite expenses. A recommended goal is $1 per unit, per month.

“The things that CARES does are things that our staff cannot do, and in that sense it’s priceless... CARES helps us define what home is all about.”
—Fullfield Residential

CARES IN TEXAS

Harris County
Galveston County
Johnson County
Collin County
Tarrant County
Hays County
Grayson County
Dallas County
Denton County
Ellis County

Tarrant County
Dallas County
Johnson County
Grayson County
Hays County
Harris County
Galveston County

Partial Client List

Alliance Residential Company
Asset Plus Corporation
Bella Investment Group, LLC
Berkshire Property Advisors
BH Management Services
Capstone Real Estate Services
Carefree Management Corporation
Concord Management Limited
Cornish Partners
Cottonwood Capital
DHI Apartment Homes
Drucker & Falk, LLC
Fairfield Properties LP
Gables Residential
Greystar Management
Lincoln Property Company
Mallinca Management
MAL Management
Ochre Real Estate Services
Pinnacle Realty Management
Post Properties
Riverstone Residential Group
United Apartment Group
United Dominion Realty Trust - UDR
Walton Communities LLC
Westdale Property Management
Wood Partners
Worthing Companies

FOR MORE INFORMATION, CONTACT US AT 877.785.2963 OR CARES@CARESPROGRAM.ORG

A national owner-manager of communities with CARES has consistently outperformed the non-CARES communities by 5-6 percentage points.

Data from portfolio analysis done by Greystar on properties with CARES

Communities with CARES showed an average increase of 18.2 percent in their online reputation ratings.

Data from a six month pilot with 18 CARES communities

“During the last 12 months, our CARES communities have shown a 3.3 percent higher retention rate than the rest of our portfolio, adding an estimated $90,000 of NOI to the bottom line.”
—Archon Residential

Communities with CARES

“Thanks to the Renewal Visits and associated Retention Alerts™, CARES has helped us save 15 leases in the last nine months, which had a $90,000 impact to our NOL.”
—Riverstone Residential

FOLLOW US ON:

www.facebook.com/CARESProgram
www.twitter.com/CARESProgramORG
blog.caresprogram.org

REDEFINING THE RESIDENT EXPERIENCE
January 23, 2018

Mrs. Marni Holloway
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701

RE: Proposed Palladium Farmersville (Application 18069) – located on the south side of 380 and west of 607, City of Farmersville, Collin County, Texas

Mrs. Holloway,

I am writing this letter of support for the 2018 application round of Housing Tax Credits for the proposed Palladium Farmersville apartment community, located on the south side of 380 and west of 607, City of Farmersville, Collin County, Texas.

The Assistance Center of Collin County is a tax-exempt organization serving the citizens of Collin County. We have served this community for 41 years. Our vision for the betterment, development, and improvement of the community as a whole remains our primary purpose. Please see the enclosures as evidence of our tax-exempt status and our existence and participation in the community.

The Palladium Farmersville is within our service area and we look forward to working with this affordable apartment community once constructed. If you have any questions, please feel free to contact me.

Sincerely,

Yvonne Booker
Executive Director
Assistance Center of Collin County
900 18th St.
Plano, Texas 75074

Enclosures:
1. Proof of tax-exempt status
2. Brochure (or screenshot of website showing calendar of events – proof of current activity)
Employer Identification Number: 75-1550604
Person to Contact: Laura A. Botkin
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Sep. 05, 2013, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in March 1978.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.
ASSISTANCE CENTER OF COLLIN COUNTY INC
900 18TH ST
PLANO TX 75074

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,

Richard McKee, Department Manager
Accounts Management Operations
ASSISTANCE CENTER OF COLLIN COUNTY, INC.
900 18TH ST
PLANO, TX 75074-5831

According to the records of the Comptroller of Public Accounts, the following exemption(s) from Texas taxes apply to the above organization(s):

Franchise tax, as of 05-23-1977
Sales and use tax, as of 08-29-1977
   (provide Texas sales and use tax exemption certificate Form 01-339 (Back) to vendor)
The entity is not exempt from hotel occupancy tax.

Texas taxpayer identification number: 17515506040

This exemption verification is not a substitute for the completed exemption certificates that are required when claiming exemption from Texas taxes. Vendors should be familiar with the requirements for accepting the certificates in good faith from their customers.

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For information concerning sales taxpayer permit status, please use the vendor search we provide online.

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Our publications and other helpful information are available on our website. If you need more information, write to us at exempt.orgs@cpa.texas.gov, or call us at (800) 252-5555.
About Assistance Center of Collin County

Who we Are:
- In 1977 Plano Leadership including Senator Florence Shapiro, Plano Ministerial Alliance and Collin County United Way requested the formation of the Information and Referral Center serving Collin County. Using committed volunteers in a call center environment, residents were provided information and referrals to organization addressing their specific needs.
- In 2000 the name was changed to the Assistance Center of Collin County. The organization expanded its services to not only I&R but to address more directly the needs of Collin County residents.
- The Assistance Center of Collin County brings carefully assessed and prompt assistance to individuals and families in financial crisis to help them regain self-sufficiency.
- Contact us: 972-422-1125, visit our website at www.assistancecenter.org, follow us on Facebook, and Twitter.

Who we Serve:
- Collin County Residents
  - Poverty in Collin County rose 59% from 2000-2013
  - 23,645 children in Collin County live in Poverty
- Individuals experiencing a financial crises as a result of job loss
  - As of April 2017, Collin County unemployment rate was 3.0
- Individuals experiencing a financial crises as a result of being underemployed and lack the skillsets for obtaining higher wage earnings
  - 80% of working single mothers in Collin County are low wage earners

How we Serve:
- Stabilize the Home
  - Remove the threat of eviction and utility disconnection
- Engage
  - Through careful assessment, aid the individual in developing a success plan addressing their identified barriers. Those barriers include but not limited to un/underemployment, financial management, low or no skillsets to earn a living wage. Education is our engagement tool.
- Educate
  - Based on the developed success plan, connect the individual to those programs to aid them in attaining self-sufficiency and economic stability
- Monitor
  - Using a Case Management approach, success plans are monitored and any new barriers addressed to ensure that the individual is successful.

Our School Supply Initiative:
- 2017 we served over 1500 students. Program remained open to assist with Harvey families.

Our Hope for the Holidays Initiative:
- Will serve 617 families. 500 families to be adopted by the community; 117 families will be served in our Christmas store.

Board Requirements:
- Meetings are held the third Thursday in the months of January, March, May, July, September, and November
- Use professional and personal network to connect the Assistance Center to potential supporters/sponsors
- Serve as a community Ambassador for the Assistance Center of Collin County

For more information about the Assistance Center of Collin County visit our website at www.assistancecenter.org or call 972-422-1125
Part 6 – Third Party Reports
(Tab 47)
Tab 47 – Third Party Reports
# Required Third Party Reports

Be advised that all third party reports will be posted on the Department's website along with the Application.

Complete the information below as applicable (§10.205).

1. **Environmental Site Assessment (ESA) (All Multifamily Applications)**
   
   **Prepared by:** Phase Engineering, Inc.  
   **Date of Report:** 1/22/2018
   
   - [ ] Report recommends further studies or establishes environmental hazards that currently exist on the Property or off-site with the potential to affect the Property.
   - [ ] If the above box is checked, a statement is provided behind this tab signed by the Development Owner, that certifies the Development Owner will comply with any and all recommendations made by the ESA preparer.
   - [ ] Development is funded by USDA and is not required to supply an ESA.

2. **Environmental Clearance (Section 811 PRA and Direct Loan applications only)**

   All Applications selecting Points for Section 811 PRA Program participation under the Competitive Housing Tax Credit program or Direct Loans must review the Environmental Requirements and Environmental Assurance section of the Section 811 PRA Program Guidelines (§PRA.215) and provide adequate material to meet the tenets. A Phase I Environmental Site Assessment (ESA) will not satisfy the environmental clearance required for use of the Section 811 PRA Program.

   All Applications for Direct Loans by the Department must complete an environmental clearance process in accordance with 24 CFR Parts 50 and 58 prior to engaging in choice limiting activities such as closing on land, loans, beginning demolition or construction activities, or entering into construction contracts. A Phase I Environmental Site Assessment (ESA) will not satisfy the environmental clearance required for use of Multifamily Direct Loan funds.

   - [x] Application selected points for the Section 811 PRA Program and includes documentation for the project participating in the Section 811 PRA Program that the project meets the tenets of HUD environmental policy and the requirements of applicable statutes and authorities.
   - [ ] Applicant has submitted an environmental packet to TDHCA and determination is pending.
   - [x] Applicant has reviewed the Environmental Requirements and Environmental Assurance section of the Section 811 PRA Program Guidelines (§PRA.215) and understands that a determination must be received prior to signing the Rental Assistance Contract.
   - [ ] MFDC Development has already received Environmental Clearance from HUD under 24 CFR Parts 50 or 58.
   - [ ] Documentation of HUD Environmental Clearance is included behind this tab.
   - [ ] Applicant has submitted an environmental packet to TDHCA and clearance is pending.
   - [ ] Applicant has reviewed the environmental clearance materials available on the Department's website and understands that clearance must be received prior to closing on the loan.
     
     - [ ] http://www.tdhca.state.tx.us/program-services/environmental/index.htm
   - [ ] A Third Party will aid in the completion of the environmental clearance process. If checked, complete the following:

   - **Name of Firm:**
   - **Contact Person:**
   - **Contact Telephone:**
   - **Email:**

3. **Primary Market Area Map**

   - [x] Primary Market Area (PMA) map with definition of PMA is included behind this tab.

   **Prepared by:** Apartment MarketData, LLC  
   **Date of Report:** 12/18/2017

4. **Property Condition Assessment (PCA)**

   **Prepared by:**  
   **Date of Report:**
5. Appraisal

Prepared by: 0
Date of Report:

6. Site Design and Development Feasibility Report

Prepared by: Cross Engineering Consultants, Inc.
Date of Report: 1/19/2018
Tab 47 – Environmental Site Assessment

See Attached File
The Development Owner will comply with any and all recommendations made by the ESA preparer.

Thomas E. Huth, Applicant’s Representative
Tab 47 – Environmental
January 23, 2018

Ms. Marni Holloway  
Texas Department of Housing and Community Affairs  
221 East 11th Street  
Austin, TX 78701

RE: Palladium Farmersville, TDHCA #18069

Dear Marni,

Palladium Farmersville, Applicant, has reviewed the Environmental Requirements attached and Environmental Assurance section of the Section 811 PRA Program Guidelines (§PRA.215) and understands that a determination must be received prior to signing the Rental Assistance Contract. Application 18069 selected points for the Section 811 PRA Program and included below is documentation for Palladium Glenn Heights, the project participating in the Section 811 PRA Program that the project meets the tenets of HUD environmental policy and the requirements of applicable statutes and authorities.

**PRA.215 Environmental Requirements and Environmental Assurance**

1. **Site Contamination (24 CFR 50.3(i)).**
   
   No site contamination is present at Palladium Glenn Heights and an ESA was completed with no RECs.

2. **Historic Preservation (16 U.S.C. 470 et seq.).**
   Palladium Glenn Heights is a new construction project.

3. **Noise (24 CFR Part 51, Subpart B - Noise Abatement and Control).**
   Palladium Glenn Heights has met the noise requirements and the ESA shows no noise abatement is required to maintain acceptable levels.

4. **Airport Clear Zones (24 CFR Part 51, Subpart D - Siting of HUD Assisted Projects in Runway Clear Zones at Civil Airports and Clear Zones and Accident Potential Zones at Military Airfields).**
   Palladium Glenn Heights is not in an airport clear zone.

5. **Coastal Zone Management Act (16 U.S.C. 1451 et seq.).**
   Palladium Glenn Heights is not in a coastal zone.

6. **Floodplains (Executive Order 11988; Flood Disaster Protection Act (42 U.S.C. 4001-4128)).**
   Palladium Glenn Heights is in Zone X.
(7) Wetlands (Executive Order 11990).  
There are no wetlands on the Palladium Glenn Heights site.

Palladium Glenn Heights is not near any of these hazardous or explosive operations.

There are no known endangered species in the Palladium Glenn Heights area.

(10) Farmland Protection (7 USC 4201 et seq.).  
Palladium Glenn Heights is not on productive farmland.

(11) Sole Source Aquifers (Section 1424(e) of the Safe Drinking Water Act of 1974 (42 U.S.C. 201, 300 et seq., and 21 U.S.C. 349)).  
Palladium Glenn Heights is not on a sole source aquifer.

Thank you.

Thomas E. Huth  
Palladium Farmersville, Ltd.
Tab 47 – Market Analysis
December 18, 2017

Ryan Combs
Palladium USA.
13455 Noel Road
Suite 1000
Dallas, TX 75240

Re: TDHCA Market Feasibility Study
Farmersville, Texas

Greetings:

This is a confirmation letter, with signature authorization, for our firm to review, analyze, and determine the market feasibility for the development of a proposed LIHTC project to be located in Farmersville, Texas. The purpose of the “Feasibility Study” is to provide a market overview of the data necessary to qualify for the Texas Department of Housing and Community Affairs (TDHCA) tax credit application, and to make an investment decision about the proposed development.

It will be our understanding that (1) one electronic copy of the report is to be submitted to the undersigned. Our engagement shall begin on the day of receipt of the deposit and this signed agreement. The final reports are to be delivered on or before April 2, 2018. Our fee for services rendered is the sum of $8,000.00, of which 60% ($4,800.00) is payable upon engagement, 40% ($3,200.00) upon completion.
To begin the project, the following information should be returned with this signed engagement letter:

- Rent Schedule (MF Uniform Application - TDHCA):
- Current Property Tax Statement
- Legal entity / name of the current ownership of the site, and identification of relationship to sponsor, if any
- List of site owner(s) for previous three years
- Map showing site location

To complete the final report, it will be necessary for you to supply the following information. Most items below come from the MF Uniform Application*:

- Populations Served*
- Utility Allowances*
- Annual Operating Expenses*
- Building Unit Configuration*
- Site Information*
- Specs and Amenities*

If possible, the following information should also be provided to aid in the assignment:

- Site Plan (if available)
- Floor Plans (if available)
- Aerial Photograph of site (if available)
- Any market study or appraisal (prior or preliminary)
Your signature on a copy of this letter confirms acceptance of this assignment and that you will own the reports we provide, with no restrictions regarding redistribution.

The fee for this report is inclusive of the report only. Any changes to this agreement must be agreed to in writing, by the undersigned and the client. Additional requests for services beyond the requirements of this study, additional copies of the report, any changes in project specifications, or those which require further research, shall be priced based upon the scope of the request at that time, and may cause a delay in the delivery of the report if requested after engagement. Any follow up reports or letters will also require additional preparation time and production costs and require additional billings to the client. Any additional services required beyond the scope of the proposal and engagement agreement will be billed at $175.00 per hour. Estimates prior to engagement for a particular request can be made available to the client.

Apartment MarketData, LLC agrees to prepare the market feasibility study in compliance with TDHCA guidelines. Apartment MarketData, LLC certifies that it has read and understands Department Rules specific to the report found in Sections 10.303 of the REA rules.

Thank you for considering us for this assignment. I look forward to working with you on this project.

Sincerely,

Darrell G Jack
Apartment MarketData, LLC

(Authorization and signature page to follow on page 4)
By acceptance of this agreement, the client agrees to the payment terms and limiting conditions listed above. All reports remain the property of Apartment MarketData, LLC until paid for in full. Furthermore, if payment is not received, the client agrees to pay any and all collection and legal expenses incurred by Apartment MarketData to secure full payment. Any and all litigation for the payment of services is agreed by all parties to be conducted within Comal County, Texas.

Project: Farmersville, Texas

Respectfully Submitted,

[Signature]

Darrell G. Jack

[Signature]

Dec. 18, 2017

Date

Accepted,

[Signature]

[Authorized Signature]

12/18/17

Date
**MARKET ANALYSIS SUMMARY**

**Provider:** Apartment MarketData, LLC  
**Date:** 1/8/2018

**Contact:** Darrell G Jack  
**Phone:** (210) 530-0040

**Development**  
Farmsville Palladium  
**Target Population:** General

**Site Location**  
W Audie Murphy Pkwy  
**City:** Farmersville  
**County:** Collin

**Site Coordinates:**  
Longitude: -96.390332  
Latitude: 33.15663

(Decimal degree format)

**Primary Market Area (PMA) page 32**  
213.1 Square Miles

**CENSUS TRACTS**

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<thead>
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</table>
Tab 47 – Site Design and Development Feasibility Report

See Attached File
Deficiency Documents
In the course of the Department’s Housing Tax Credit Eligibility/Selection/Threshold and/or Direct Loan review of the above referenced application, a possible Administrative Deficiency as defined in §10.3(a)(2) and described in §10.201(7)(A) and/or §10.201(7)(B) of the 2018 Uniform Multifamily Rules was identified. By this notice, the Department is requesting documentation to correct the following deficiency or deficiencies. Any issue initially identified as an Administrative Deficiency may ultimately be determined to be beyond the scope of an Administrative Deficiency, and the distinction between material and non-material missing information is reserved for the Director of Multifamily Finance, Executive Director, and Board.

1. Submit evidence of regular and recurring substantive services provided to the community by the First Baptist Church of Farmersville.

2. Title Commitment/Policy does not specify the size (acreage) of the proposed Development Site, which should match the size and legal description specified under Site Control documentation.

3. Please confirm that through the first amendment to the contract of sale, the Applicant has added a point of ingress/egress for the proposed site. If yes, submit “A1.0 Site Plan” showing actual ingress/egress location(s).

The above list may not include all Administrative Deficiencies such as those that may be identified upon a supervisory review of the application. Notice of additional Administrative Deficiencies may appear in a separate notification.

All deficiencies must be corrected or otherwise resolved by 5 pm Austin local time on the fifth business day following the date of this deficiency notice. Deficiencies resolved after 5 pm Austin local time on the fifth business day will have 5 points deducted from the final score. For each additional day beyond the fifth day that any deficiency remains unresolved, the application will be treated in accordance with §10.201(7)(B) of the 2018 Uniform Multifamily Rules. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day may be terminated.

All deficiencies related to the Direct Loan portion of the Application must be resolved to the satisfaction of the Department by 5pm Austin local time on the fifth business day following the date of this deficiency notice. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day will be suspended from further processing, and the Applicant will be notified to that effect, until the deficiencies are resolved. If, during the period of time when the Application is suspended from review, Direct Loan funds become oversubscribed, the Applicant will be informed that unless the outstanding item(s) are
resolved within one business day the Application will be terminated. For purposes of priority under the Direct Loan set-asides, if the outstanding item(s) are resolved within one business day, the date by which the item is submitted shall be the new received date pursuant to §13.5(c) of the 2018 Multifamily Direct Loan Rule. Applicants should be prepared for additional time needed for completion of staff reviews.

Unless the person that issued this deficiency notice, named below, specifies otherwise, submit all documentation at the same time and in only one file using the Department’s Serv-U HTTPs System. Once the documents are submitted to the Serv-U HTTPs system, please email the staff member issuing this notice. If you have questions regarding the Serv-U HTTPs submission process, contact Liz Cline at liz.cline@tdhca.state.tx.us or by phone at (512)475-3227. You may also contact Jason Burr at jason.burr@tdhca.state.tx.us or by phone at (512)475-3986.

All applicants should review §§11.1(b) and 10.2(b) of the 2018 QAP and Uniform Multifamily Rules as they apply to due diligence, applicant responsibility, and the competitive nature of the program for which they are applying.

**All deficiencies must be corrected or clarified by 5 pm Austin local time on May 24, 2018. Please respond to this email as confirmation of receipt.**

About TDHCA
The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit www.tdhca.state.tx.us.

Regards,

Sharon D. Gamble MSW, PMP
Competitive Housing Tax Credit Program Administrator
Texas Department of Housing and Community Affairs
(512) 936-7834

Any person receiving guidance from TDHCA staff should be mindful that, as set forth in 10 TAC Section 11.1(b) there are important limitations and caveats (Also see 10 TAC §10.2(a)).

About TDHCA
The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit www.tdhca.state.tx.us
May 18, 2018

TDHCA
Sharon Gamble
TDHCA – Competitive Housing Tax Credit Program Administrator
sharon.gamble@tdhca.state.tx.us

RE: TDHCA #18069, Palladium Farmersville; Deficiency Notice dated May 17, 2018

Sharon,

This letter is in response to your Deficiency Notice dated May 17, 2018. Below I have listed each item and provided its respective response labeled underneath.

Request: 1. Submit evidence of regular and recurring substantive services provided to the community by the First Baptist Church of Farmersville.
Response: See the attached church bulletin for this coming Sunday’s services. The program lists four weekly worship services on Sunday as well as Wednesday night activities. These services are recurring and substantive to serve anyone in the City of Farmersville regardless of church membership. In addition, the church bulletin shows a weekly men’s Bible Study as well as youth sports leagues sponsored by the church (Upward Fall Soccer) as well as summer kid’s day clubs called Vacation Bible School and weekly youth activities for teens. None of the posted activities at the church require membership. I have also attached the church calendar from their website. The first page shows that FBC Farmersville serves others through a ministry called City on a Hill that provides food, clothing and financial support to needy people in the community. The church also maintains an ongoing missions program that actively sends people to areas that have been hit with natural disasters to volunteer and help with recovery.

Request: 2. Title Commitment/Policy does not specify the size (acreage) of the proposed Development Site, which should match the size and legal description specified under Site Control documentation.
Response: See the attached revised Title Commitment to include the correct legal description that matches our site control documentation.

Request: 3. Please confirm that through the first amendment to the contract of sale, the Applicant has added a point of ingress/egress for the proposed site. If yes, submit “A1.0 Site Plan” showing actual ingress/egress location(s).
Response: See the attached revised site plan that includes the secondary access that was included in the first amendment to the contract of sale.

Please contact me at 972-774-4400 or tom@palladiumusa.com if you need any additional information.

Sincerely,

Thomas E. Huth
Authorized Representative Palladium Farmersville, Ltd.
WELCOME, GUEST
We Want to Know You!
May 20, 2018

Mr./Mrs./Ms.: ___________________________
Address: ________________________________
Home Phone: _____________________________
Email: _________________________________
What family members are with you?

☐ I am looking for a church home and would like to know more about First Baptist Church of Farmersville.
☐ Today is my first time to visit here.
☐ I have been out of church for a while. I want to improve my relationship with God. I wish I could speak with another Christian who could help me.
☐ I do not live in the Farmersville area.
☐ I attended (will attend) Sunday School today.
☐ I am attending today as a guest of the following person:
☐ I am a member of the following church (please include city):

Important Dates

Tonight
Business Meeting
May 23
AWANA Awards
Youth Night of Worship
May 24
Ball Club Outing
May 30
Youth Messy May
June 4-10
Crossover & Harvest America
June 18-22
Vacation Bible School

Pastoral Staff

Bart Barber
Pastor

James Cheesman
Worship Pastor

Tracy Odneal
Student Pastor

Jason Points
Kids Pastor

Contact Information
972-782-8428
www.fbcfarmersville.com

Worship Times
Sunday Morning ................. 8:30 AM
Sunday School .................. 9:45 AM
Sunday Morning ................ 11:00 AM
Sunday Evening ............... 6:00 PM
Wednesday Activities ........ 6:00 PM

First Baptist Church
of Farmersville
Affiliated with the Southern Baptist Convention
Sunday, May 20, 2018

Class of 2018
Congratulations

High School Graduates
Lindsey Overstreet
Meggan Page
Shawn Parker

College Graduates
Lane Senn
Hunter Valliant
Abigail Phipps
Sara Waidelich
Post-It...on your calendars!

Thank you Church Family,

Words cannot express how thankful I am for such an amazing church family. You blessed our teenagers beyond measure this time. Each student will receive over $100 each to help pay for camps and mission trips this summer. To each of you who contributed financially, donated items for auction, or helped serve the youth fundraiser day, thank you with my whole heart!!! Your generosity is amazing and such a blessing!!! I am so thankful to get to serve here and to call you family!!!

Love, Tracy Omon

** Business Meeting Tonight, 6:00 p.m. **

** B.A.L.L. Club Outing Thursday, May 24. **

We will enjoy a time of fellowship and lunch at the Winsom Feed Sack. Leave from The Warehouse at 10:00 a.m. and return around 1:00 p.m.

Please sign up in the church office by May 22.

** Crossover & Harvest America. **

- Sign up for CROSSOVER on June 4, 5, 6, or 9th to go invite people to the Harvest America and share the gospel. Sign up online or in the sanctuary entryway.
- HARVEST AMERICA choir will leave the church on Saturday, June 9th, at 12:15 PM for practice and 12:15 PM on Sunday, June 10th, for the HARVEST AMERICA Crusade.
- Sign up for a seat on the buses if you are in the choir or want a guaranteed seat for you and your guests for HARVEST AMERICA.

** Time Lab FBC Farmersville VBS Monday-Friday, June 18-22. **

For children entering Kindergarten through completed sixth grade.
Volunteers can sign up at www.signupgenius.com/go/10c044da9ab22abfa7-vbs2018.

** Upward Fall Soccer. **

Register now in the church office or online at registration.upward.org/UPW66346.
Registration deadline July 15th.

Youth activities

** Night of Worship May 23. ** HAVOC will be an entire night of worship with our youth praise band!!! We are so blessed to have some amazing students lead us in worship each week!

** MESSY MAY-May 30. ** We welcome our new 7th graders this Wednesday night with our annual night of messy games and fun together!!! Please invite your friends for a great night together!!! Fun begins around 6:00 p.m. and we should be done around 7:30 p.m.

---

** Weekly Activities **

** Sunday, May 20 **

- 8:30 am—Early Worship
- 11:00 am—Late Worship
- 6:00 pm—Business Meeting

** Wednesday, May 23 **

- 5:00 pm—Meal
- 6:00 pm—AWANA Awards
- 6:00 pm—Youth HAVOC
- 6:00 pm—No Prayer Mtg.
- 6:00 pm—No Instrumentalists
- 6:30 pm—Adult Choir

** Thursday, May 24 **

- 6:00 am—Men’s Bible Study

---

** Wed. Night Meal (05/23) **

Fried Chicken, Green Beans, Mashed Potatoes and Gravy, Salad, Ice Cream

---

** 05/19 SS Attendance **

- Preschool: 25
- Children: 39
- Youth: 43
- Adult: 109
- Total: 216

---

** Sunday, May 13, 2018 **

** Budget Receipts **

$5,978.05

---

** Extended Care Available **

Next Sunday (05/27)

** Preschool Hall **

For children ages 3 and under

---

** PRAYER REQUEST **

May 20, 2018

We like to send Prayer grams to those for whom we pray. Would you mind giving us the necessary contact information?

Mailing Name: __________________________

Mailing Address: _________________________

We may need to contact you to verify this information or to learn more.

Your name: ____________________________

Your phone: __________________________

Your e-mail: __________________________

---

** Disclosure Permission **

☐ You have my permission to share this request with the ministry staff.

☐ You have my permission to place this prayer request in the church prayer room for prayer volunteers to see.

☐ You have my permission to publish this prayer request for public viewing either in print (on our prayer list) or electronically (by e-mail or web site).
About FBC Farmersville

Get to know First Baptist Church of Farmersville

We are CHANGED BY THE GOSPEL. We believe that every person in the world has sinned. When I sinned, it changed my relationship with God and my inward nature. It changed my relationship with God because a verdict of guilt came upon me and I stood condemned. It changed my inward nature because sin is like an addiction. Sinning makes me a sinner—a person whose nature is inclined toward sin.

Jesus died on the cross, was buried, and rose again in order to open a door to escape the effects of sin. By way of the gospel of Jesus Christ we can be pardoned for our sin. By way of the gospel of Jesus Christ we can be changed from a sinner to a saint in terms of what we do, say, think, and feel.

We are a BIBLE-BASED CHURCH. We believe that the Bible is true without any mixture of error. We seek to derive our theology, ethics, structure, and worship patterns from the Bible. When our culture asks difficult questions, we try to respond with biblical answers.

We are TELLING PEOPLE ABOUT JESUS AND INVITING THEM TO FOLLOW HIM. Our church is involved in evangelism and missionary work throughout the world by way of our partnership with other Southern Baptist churches. We have been involved directly—going ourselves, beyond our giving and our praying—in local work; throughout Texas; in places in the United States, including Utah, Montana, and Chicago; and international destinations like Senegal, Guatemala, Cuba, China, Thailand, Ecuador, Haiti, and Great Britain.

Our church SERVES OTHERS. Our partnership with Farmersville churches through City on a Hill Ministries provides food, clothing, and bill-payment services to our needy neighbors. Through individual church members who participate in SBC Disaster Relief and through our church's mission trips we have responded to Hurricanes Katrina, Ike, Rita, and Harvey; Superstorm Sandy; tornados in multiple states; and tsunamies in the Western Pacific.
<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>24</td>
<td>Ball Club Outing</td>
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<td>27</td>
<td>Early Morning Worship / Lord's Supper</td>
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<td>28</td>
<td>Memorial Day</td>
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<tr>
<td>30</td>
<td>Crossover Kickoff Night</td>
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</tbody>
</table>
| 2    | Guatemala Mission Trip  
|      | Fun and Friends: Ladies' Bunco |
| 3    | COAH Board Meeting |
| 4    | Crossover Local Mission Trip  
|      | Crossover Local Outreach  
|      | Crossover Local Outreach Event |
| 5    | Youth Search For The Best Italian Food  
|      | Crossover Local Outreach  
|      | Crossover Local Outreach Event |
| 6    | Crossover Local Outreach  
|      | Youth Outta Sight  
|      | Crossover Local Outreach |
| 10   | SBC Annual Meeting  
|      | Youth Serving at SBC Convention  
|      | Deacons Meeting  
|      | Early Morning SBC Celebration  
|      | Morning SBC Celebration  
|      | Harvest America Crusade: AT&T Stadium |
| 13   | Youth Outta Sight |
| 17   | Father's Day |
| 18   | Vacation Bible School |
| 19   | Vacation Bible School |
| 20   | Vacation Bible School |
| 21   | Vacation Bible School |
| 22   | Men's Golf/Canoe Trip  
|      | Vacation Bible School |
| 24   | Business Meeting |
| 26   | Youth Search For The Best Italian Food |
| 27   | Youth Outta Sight |
| 29   | Youth Rough Riders Baseball Game |
### Upcoming Events

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<tr>
<td><strong>Thursday, May 17</strong></td>
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<tr>
<td>10:00 AM</td>
<td>Ball Club Meeting</td>
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<td></td>
<td>Preschool Graduation</td>
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<td><strong>Saturday, May 19</strong></td>
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<td>4:00 PM</td>
<td>Youth Scavenger Hunt</td>
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<td><strong>Sunday, May 20</strong></td>
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<tr>
<td>8:30 AM</td>
<td>Early Morning Worship</td>
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<tr>
<td>9:45 AM</td>
<td>Sunday School</td>
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<tr>
<td>11:00 AM</td>
<td>Morning Worship / Graduate Recognition</td>
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<td>12:01 PM</td>
<td>Class of 2018 Luncheon</td>
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<td>6:00 PM</td>
<td>Business Meeting</td>
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<td><strong>Monday, May 21</strong></td>
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<td>7:00 PM</td>
<td>Trail Life Committee Meeting</td>
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<td><strong>Wednesday, May 23</strong></td>
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<tr>
<td>5:00 PM</td>
<td>Family Fellowship Meal</td>
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<td>6:00 PM</td>
<td>AWANA Award Night</td>
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<td></td>
<td>HAVOC</td>
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<tr>
<td>6:30 PM</td>
<td>Choir Practice</td>
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### May

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### June

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<td>Guatemala Mission Trip</td>
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<td>Fun and Friends: Ladies' Bunco</td>
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<td>3</td>
<td>COAH Board Meeting</td>
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<td>4</td>
<td>Crossover Local Mission Trip</td>
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<td>Crossover Local Outreach</td>
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<td>Crossover Local Outreach</td>
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<td>May 30</td>
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</tbody>
</table>
| June 2 | Guatemala Mission Trip  
Fun and Friends: Ladies' Bunco |
| June 3 | COAH Board Meeting |
| June 4 | Crossover Local Mission Trip  
Crossover Local Outreach |
| June 5 | Youth Search For The Best Italian Food  
Crossover Local Outreach  
Crossover Local Outreach |
| Time 6 | Event  
Crossover Local Outreach  
Youth Outta Sight  
Crossover Local Outreach |
| June 10 | SBC Annual Meeting  
Youth Serving at SBC Convention  
Deacons Meeting  
Early Morning SBC Celebration  
Morning SBC Celebration  
Harvest America Crusade: AT&T Stadium |
| June 13 | Youth Outta Sight |
| June 17 | Father's Day |
| June 18 | Vacation Bible School |
| June 19 | Vacation Bible School |
| June 20 | Vacation Bible School |
| June 21 | Vacation Bible School |
| June 22 | Men's Golf/Canoe Trip  
Vacation Bible School |
| June 24 | Business Meeting |
| June 26 | Youth Search For The Best Italian Food |
| June 27 | Youth Outta Sight |
| June 29 | Youth Rough Riders Baseball Game |
First Baptist Church
Affiliated with the Southern Baptist Convention
Fall Soccer | K5 - 6th Grade

Registration Deadline
Sunday, July 15th

League Season
August 25th - October 28th

Cost $90

Click image for more information
The Pillar and Ground of the Truth
What the Bible says about the Church
Wednesdays, 6:00 PM
Click image for more information
Answers VBS

Time Lab

June 18th - 22nd
K - 6th Grade | 9am - 12pm

REGISTER NOW

Click image for more information.
2018 NAMB CROSSOVER
HARVEST AMERICA
GREG LAURIE
JUNE 10 6:00 PM AT&T STADIUM
HARVESTAMERICA.COM
CHRIS TOMLIN SWITCHFOOT CROWDER PHIL HAGAN TRIPLEE KB TEDASHII

Click image for more information
Wednesday Meal Menu
5:00 – 6:00 PM, Gymnasium

Fried Chicken
Mashed Potatoes
Green Beans
Salad
Dessert

Click image for more information.
We (Chicago Title Insurance Company, a Florida corporation) will issue our title insurance policy or policies (the Policy) to You (the proposed insured) upon payment of the premium and other charges due, and compliance with the requirements in Schedule C. Our Policy will be in the form approved by the Texas Department of Insurance at the date of issuance, and will insure your interest in the land described in Schedule A. The estimated premium for our Policy and applicable endorsements is shown on Schedule D. There may be additional charges such as recording fees, and expedited delivery expenses.

This Commitment ends ninety (90) days from the effective date, unless the Policy is issued sooner, or failure to issue the Policy is our fault. Our liability and obligations to you are under the express terms of this Commitment and end when this Commitment expires.

Issued By:
Chicago Title of Texas, LLC

Chicago Title Insurance Company
By:

Rebeca E. Barker
Authorized Signatory

President
Attest:
Secretary

CONDITIONS AND STIPULATIONS

1. If you have actual knowledge of any matter which may affect the title or mortgage covered by this Commitment that is not shown in Schedule B you must notify us in writing. If you do not notify us in writing, our liability to you is ended or reduced to the extent that your failure to notify us affects our liability. If you do notify us, or we learn of such matter, we may amend Schedule B, but we will not be relieved of liability already incurred.

2. Our liability is only to you, and others who are included in the definition of Insured in the Policy to be issued. Our liability is only for actual loss incurred in your reliance on this Commitment to comply with its requirements, or to acquire the interest in the land. Our liability is limited to the amount shown in Schedule A of this Commitment and will be subject to the following terms of the Policy: Insuring Provisions, Conditions and Stipulations, and Exclusions.
SCHEDULE A

Effective Date: May 10, 2018 at 8:00 AM
Commitment No.: 8000551800043-Commitment for Title Insurance
(T-7) - 2014

1. The policy or policies to be issued are:
   
a. OWNER'S POLICY OF TITLE INSURANCE (Form T-1)
      (Not applicable for improved one-to-four family residential real estate)
      
      Policy Amount:
      PROPOSED INSURED:

b. TEXAS RESIDENTIAL OWNER'S POLICY OF TITLE INSURANCE
   ONE-TO-FOUR FAMILY RESIDENCES (Form T-1R)
      
      Policy Amount:
      PROPOSED INSURED:

   c. LOAN POLICY OF TITLE INSURANCE (Form T-2)
      
      Policy Amount:
      PROPOSED INSURED:
      Proposed Borrower:

   d. TEXAS SHORT FORM RESIDENTIAL LOAN POLICY OF TITLE INSURANCE (Form T-2R)
      
      Policy Amount:
      PROPOSED INSURED:
      Proposed Borrower:

   e. LOAN TITLE POLICY BINDER ON INTERIM CONSTRUCTION LOAN (Form T-13)
      
      Policy Amount:
      PROPOSED INSURED:
      Proposed Borrower:

   f. OTHER
      
      Policy Amount: $733,986.00
      PROPOSED INSURED: Palladium Farmersville, Ltd.

2. The interest in the land covered by this Commitment is:
   
   Fee Simple

3. Record title to the land on the Effective Date appears to be vested in:
   
   Ill to I Farmersville MP, LP, a Texas limited partnership

4. Legal description of land:
   
   Being all of Lot 4, Lots 1-4 of FARMERSVILLE MARKET CENTER II and Re-Plat – Lot 1R & 3R of
   Farmersville Market Center, an addition to the City of Farmersville, Collin County, Texas, according to
   the Plat thereof recorded in Document No. 2011-189, Plat Records, Collin County, Texas. As affected by
   Certificate of Correction filed 09/30/2011, recorded under cc#20110930001046210, Real Property
   Records, Collin County, Texas, and containing 6.742 acres of land, more or less.

END OF SCHEDULE A
SCHEDULE B
EXCEPTIONS FROM COVERAGE

Commitment No.: 8000551800043
GF No.: CTHS55-8000551800043-JM

In addition to the Exclusions and Conditions and Stipulations, your Policy will not cover loss, costs, attorney's fees, and expenses resulting from:

1. The following restrictive covenants of record itemized below (We must either insert specific recording data or delete this exception):

   under Clerk's File No. 20111013001099290, Real Property Records, Collin County, Texas

   Omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

2. Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements.

3. Homestead or community property or survivorship rights, if any of any spouse of any insured.

   (Applies to the Owner Policy only.)

4. Any title or rights asserted by anyone, including, but not limited to, persons, the public, corporations, governments or other entities,

   a. to tidelands, or lands comprising the shores or beds or navigable or perennial rivers and streams, lakes, bays, gulfs or oceans, or

   b. to lands beyond the line of the harbor or bulkhead lines as established or changed by any government, or

   c. to filled-in lands, or artificial islands, or

   d. to statutory water rights, including riparian rights, or

   e. to the area extending from the line of mean low tide to the line of vegetation, or the rights of access to that area or easement along and across that area.

   (Applies to the Owner Policy only.)

5. Standby fees, taxes and assessments by any taxing authority for the year 2018 and subsequent years; and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership; but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, Texas Tax Code, or because of improvements not assessed for a previous tax years. (If Texas Short Form Residential Mortgagee Policy of Title Insurance (T-2R) is issued, that policy will substitute "which become due and payable subsequent to Date of Policy" in lieu of "for the year 2018 and subsequent years.")

6. The terms and conditions of the documents creating your interest in the land.

7. Materials furnished or labor performed in connection with planned construction before signing and delivering the lien document described in Schedule A, if the land is part of the homestead of the owner. (Applies to the Mortgage Title Policy Binder on Interim Construction Loan only, and may be deleted if satisfactory evidence is furnished to us before a binder is issued.)
8. Liens and leases that affect the title to the land, but that are subordinate to the lien of the insured mortgage.
   (Applies to Mortgagee Policy (T-2) only.)

9. The Exceptions from Coverage and Express Insurance in Schedule B of the Texas Short Form Residential Mortgagee Policy of Title Insurance (T-2R). (Applies to Texas Short Form Residential Mortgagee Policy of Title Insurance (T-2R) only. Separate exceptions 1 through 8 of this Schedule B do not apply to the Texas Short Form Residential Mortgagee Policy of Title Insurance (T-2R).

10. The following matters and all terms of the documents creating or offering evidence of the matters (We must insert matters or delete this exception):

   a. Rights of tenants in possession, as tenants only, under unrecorded lease agreements.

   b. The following exception will appear in any policy issued (other than the T-1R Residential Owner Policy of Title Insurance and the T-2R Short-Form Residential Mortgagee Policy) if the Company is not provided a survey of the Land, acceptable to the Company, for review at or prior to closing:

   Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the title that would be disclosed by an accurate and complete land survey of the Land.

   Note: Upon receipt of a survey acceptable to the Title Company, this exception will be deleted. The Company reserves the right to except additional items and/or make additional requirements after reviewing said survey.

   c. If any portion of the proposed loan and/or the Owner's Title Policy coverage amount includes funds for immediately contemplated improvements, the following exceptions will appear in Schedule B of any policy issued as indicated:

   Owner and Loan Policy(ies): Any and all liens arising by reason of unpaid bills or claims for work performed or materials furnished in connection with improvements placed, or to be placed, upon the subject land. However, the Company does insure the insured against loss, if any, sustained by the Insured under this policy if such liens have been filed with the County Clerk of County, Texas, prior to the date hereof.

   Owner Policy(ies) Only: Liability hereunder at the date hereof is limited to $ 0.00. Liability shall increase as contemplated improvements are made, so that any loss payable hereunder shall be limited to said sum plus the amount actually expended by the insured in improvements at the time the loss occurs. Any expenditures made for improvements, subsequent to the date of this policy, will be deemed made as of the date of this policy. In no event shall the liability of the Company hereunder exceed the face amount of this policy. Nothing contained in this paragraph shall be construed as limiting any exception or any printed provision of this policy.

   Loan Policy(ies) Only: Pending disbursement of the full proceeds of the loan secured by the lien instrument set forth under Schedule A hereof, this policy insures only to the extent of the amount actually disbursed, but increase as each disbursement is made in good faith and without knowledge of any defect in, or objections to, the title up to the face amount of the policy. Nothing contained in this paragraph shall be construed as limiting any exception under Schedule B, or any printed provision of this policy.

   d. All leases, grants, exceptions or reservations of coal, lignite, oil, gas and other minerals, together with all rights, privileges, and immunities relating thereto, appearing in the Public Records whether listed in Schedule B or not. There may be leases, grants, exceptions or reservations of mineral interest that are
SCHEDULE B
EXCEPTIONS FROM COVERAGE
(continued)

not listed.

e. A building set-back line, as disclosed by Lots 1-4 of Farmersville Market Center II and Replat of Lot 1R & 3R of Farmersville Market Center.

Recording No.: Volume 2011, Page 189, Real Property Records, Collin County, Texas

f. Easement(s) for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract/plat;

Purpose: 1) 10’ utility easement(s); 2) 30’ Fire Lane, Access, Drainage & Utility Easement(s); 3) Temporary 15’ drainage easement; 4) Detention Easement; 5) 28’ utility easement; 6) 30’ drainage easement; 7) 24’ Fire Lane, Access, Drainage & Utility Easement; 8) 30’ utility easement; 9) Sanitary Sewer Lift Station easement; 10) 40’ wide no build area.

Affects: Volume 2011, Page 189, Real Property Records, Collin County, Texas

Recording No.:

h. Matters contained in that certain document

Entitled: Development Agreement
Dated: November 15, 2011
Executed by: City of Farmersville and III to I Farmersville MP, LP, a Texas limited partnership
Recording Date: January 20, 2012
Recording No.:

Reference is hereby made to said document for full particulars.

i. Interest in and to all coal, lignite, oil, gas and other minerals, and all rights incident thereto, contained in instrument dated September 12, 1966, recorded September 21, 1966 at Volume 679, Page 785, Real Property Records, Collin County, Texas of the Official Records of Collin County, Texas, which document contains the following language "...and undivided 1/2 mineral interest of all minerals in, to and under...". Reference to which instrument is here made for particulars. No further search of title has been made as to the interest(s) evidenced by this instrument, and the Company makes no representation as to the ownership or holder of such interest(s).
SCHEDULE C

Commitment No.: 8000551800043
GF No.: CTHS55-8000551800043-JM

Your Policy will not cover loss, costs, attorneys' fees, and expenses resulting from the following requirements that will appear as Exceptions in Schedule B of the Policy, unless you dispose of these matters to our satisfaction, before the date the Policy is issued:

1. Documents creating your title or interest must be approved by us and must be signed, notarized and filed for record.

2. Satisfactory evidence must be provided that:
   a. no person occupying the land claims any interest in that land against the persons named in paragraph 3 of Schedule A,
   b. all standby fees, taxes, assessments and charges against the property have been paid,
   c. all improvements or repairs to the property are completed and accepted by the owner, and that all contractors, sub-contractors, laborers and suppliers have been fully paid, and that no mechanic's, laborer's or materialmen's liens have attached to the property,
   d. there is legal right of access to and from the land,
   e. (on a Mortgagee Policy only) restrictions have not been and will not be violated that affect the validity and priority of the insured mortgage.

3. You must pay the seller or borrower the agreed amount for your property or interest.

4. Any defect, lien or other matter that may affect title to the land or interest insured, that arises or is filed after the effective date of this Commitment.

5. Prior approval from Regional Underwriting must be obtained if the subject transaction involves the proposed issuance of (i) an Owner's Policy to a person or entity who purchased the subject property at a foreclosure sale, or (ii) a Loan Policy insuring a lien granted by such person or entity on the subject property.

6. A deed of trust to secure an indebtedness in the amount shown below,

   Amount: $575,000.00
   Dated: December 18, 2014
   Trustor/Grantor: Ill to I Farmersville MP, LP, a Texas limited partnership
   Trustee: n/a
   Beneficiary: Community National Bank & Trust of Texas
   Loan No.: n/a
   Recording Date: December 29, 2014
   Recording No: under Clerk's File No. 20141229001408510, Real Property Records, Collin County, Texas

   An agreement to modify the terms and provisions of said deed of trust as therein provided

   Executed by: Ill to I Farmersville MP, LP and Community National Bank & Trust of Texas
   Recording Date: February 9, 2016
   Recording No: under Clerk's File No. 20160209000152250, Real Property Records, Collin County, Texas

   An agreement to modify the terms and provisions of said deed of trust as therein provided

   Executed by: Ill to I Farmersville MP, LP and Community National Bank & Trust of Texas
   Recording Date: March 3, 2017
SCHEDULE C
(continued)

Recording No: under Clerk's File No. 20170303000282040, Real Property Records, Collin County, Texas

7. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance from the limited partnership named below.

Name: I I Farmersville MP, LP, a Texas limited partnership, a limited partnership

a) A copy of the partnership agreement and all amendments thereto.

b) Satisfactory evidence that the partnership was validly formed, is in good standing and that there have been no amendments to the partnership agreement

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

8. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance from the limited partnership named below.

Name: Palladium Farmersville, Ltd., a limited partnership

a) A copy of the partnership agreement and all amendments thereto.

b) Satisfactory evidence that the partnership was validly formed, is in good standing and that there have been no amendments to the partnership agreement

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

9. The following note is for informational purposes only:

The following deed(s) affecting said land were recorded within twenty-four (24) months of the date of this report:

None found of record.

The last Deed found of record affecting the Land was recorded April 22, 2008 at under Clerk's File No. 20080422200482440, Real Property Records, Collin County, Texas, wherein the grantee acquired the subject property.

10. Note — Important Notice

You have the right to have your funds deposited in an interest-bearing account.

If you choose to establish an interest-bearing account for your deposit, notify your escrow officer immediately. Thereafter you will be provided with a Notice of Election form which you should complete in writing by completing and returning the form, along with your taxpayer identification information, not later than five (5) days before the scheduled closing. If you choose to establish an interest-bearing account for your deposit, an additional charge of $50.00 will be required. This charge may exceed the amount of interest to be earned on the deposit, depending on the amount, applicable interest rate, and the duration of the deposit.

As an example, the amount of interest you can earn on a deposit of $1000.00 for a thirty-day period at an interest rate of 4% is $3.33. Interest earned is dependent on the amount of deposit, time of deposit and the applicable interest rate.
SCHEDULE C
(continued)

If you do not choose to establish an interest-bearing account for your deposit, your funds will be deposited with other escrow funds in your escrow agent's general escrow account with an authorized financial institution and may be transferred to another general escrow account or accounts. By reason of the banking relationship between our Company and the financial institution, the Company may receive an array of bank services, accommodations or other benefits. The escrow funds will not be affected by such services, accommodations or other benefits.

Failure to notify your escrow officer and complete the additional required investment authorization form shall constitute waiver of any intention of establishing an interest-bearing account for your deposit(s).

11. Except in an exempt transaction, the Company must be furnished with seller's social security number or tax identification number and all other information necessary to complete IRS Form 1099S.
SCHEDULE D

Commitment No.: 8000551800043

Pursuant to the requirements of Rule P-21, Basic Manual of Rules, Rates and Forms for the writing of Title Insurance in the State of Texas, the following disclosures are made:

1. The issuing Title Insurance Company, Chicago Title Insurance Company, is a corporation whose shareholders owning or controlling, directly or indirectly, 10% of said corporation, directors and officers are listed below:
   Shareholders: Fidelity National Title Group, Inc. which is owned 100% by FNTG Holdings, LLC which is owned 100% by Fidelity National Financial, Inc.
   Officers: Raymond Randall Quirk (President), Anthony John Park (Executive Vice President), Michael Louis Gravelle (Secretary), Daniel Kennedy Murphy (Treasurer)

2. The following disclosures are made by the Title Insurance Agent issuing this Commitment:
   Chicago Title of Texas, LLC
   (a) A listing of each shareholder, owner, partner, or other person having, owning or controlling one percent (1%) or more of the Title Insurance Agent that will receive a portion of the premium.
   Owners: FNTS Holdings, LLC owns 100% of Alamo Title Holding Company, which owns 100% of Chicago Title of Texas, LLC
   (b) A listing of each shareholder, owner, partner, or other person having, owning or controlling 10 percent (10%) or more of an entity that has, owns or controls one percent (1%) or more of the Title Insurance Agent that will receive a portion of the premium.
   Owners: FNTG Holdings, LLC owns 100% of FNTS Holdings, LLC
   (c) If the Agent is a corporation: (i) the name of each director of the Title Insurance Agent, and (ii) the names of the President, the Executive or Senior Vice-President, the Secretary and the Treasurer of the Title Insurance Agent.
   Officers/Directors: Raymond Randall Quirk (President), Michael Louis Gravelle (Corporate Secretary), Joseph William Grealish (Executive Vice President), Daniel Kennedy Murphy (Treasurer), John Tannous (President and County Manager), Gayle Brand (President and County Manager), Brian K. Baize (President and County Manager), Carlos E. Valdes (President and County Manager), Robert B. Kuhn (President and County Manager)
   (d) The name of any person who is not a full-time employee of the Title Insurance Agent and who receives any portion of the title insurance premium for services performed on behalf of the Title Insurance Agent in connection with the issuance of a title insurance form; and, the amount of premium that any such person shall receive.
   (e) For purposes of this paragraph 2, "having, owning or controlling" includes the right to receipt of a percentage of net income, gross income, or cash flow of the Agent or entity in the percentage stated in subparagraphs (a) or (b).

3. You are entitled to receive advance disclosure of settlement charges in connection with the proposed transaction to which this commitment relates. Upon your request, such disclosure will be made to you. Additionally, the name of any person, firm or corporation receiving a portion of the premium from the settlement of this transaction will be disclosed on the closing or settlement statement.

You are further advised that the estimated title premium* is:
Owner’s Policy $ 4,387.00
Total $ 4,387.00

Of this total amount: 15% will be paid to the policy issuing Title Insurance Company; 25% will be retained by the issuing Title Insurance Agent; and the remainder of the estimated premium will be paid to other parties as follows:

<table>
<thead>
<tr>
<th>Percent/Amount</th>
<th>To Whom</th>
<th>For Services</th>
<th>Closing The Transaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>60%</td>
<td>Coats Rose, A Professional Corporation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*The estimated premium is based upon information furnished to us as of the date of this Commitment for Title Insurance. Final determination of the amount of the premium will be made at closing in accordance with the Rules and Regulations adopted by the Commissioner of Insurance.
Chicago Title of Texas, LLC
13737 Noel Road, Suite 1210
Dallas, TX 75240

AFFILIATED BUSINESS ARRANGEMENT DISCLOSURE STATEMENT
(Exhibit D in 24 CFR §3500)

Date: 
To: III TO I FARMERSVILLE MP, LP.
Property: 6.742 Acres, Farmersville, TX 75442

This is to give you notice that Chicago Title of Texas, LLC, a subsidiary of Fidelity National Financial, Inc. has a business relationship with the settlement service providers listed below to which you have been referred. Each of the companies listed below is One-Hundred Percent (100%) owned directly or indirectly by Fidelity National Financial, Inc. Because of this relationship, this referral may provide Chicago Title of Texas, LLC with a financial or other benefit.

Set forth below is the estimated charge or range of charges for the settlement services listed. You are NOT required to use the listed providers as a condition for the consummation of the transaction involving the above referenced property.

<table>
<thead>
<tr>
<th>Settlement Service Provider</th>
<th>Type of Settlement Provided</th>
<th>Range of Charges:</th>
</tr>
</thead>
<tbody>
<tr>
<td>National TaxNet</td>
<td>Tax Information</td>
<td>$22.50 to $80 including sales tax and $5 for each additional parcel over 3 parcels</td>
</tr>
</tbody>
</table>

There are frequently other settlement service providers available who offer similar services. You are free to shop around to determine that you are receiving the best services and the best rate for these services.

Acknowledgment
I/We have read this disclosure form and understand that Chicago Title of Texas, LLC is referring me/us to purchase the above described settlement services and may receive a financial or other benefit as the result of this referral.

IN WITNESS WHEREOF, the undersigned have executed this document on the date(s) set forth below.

______________________________  ________________________
III TO I FARMERSVILLE MP, LP.                                          Date

______________________________  ________________________
BY: ___________________________                                          Date
# TEXAS TITLE INSURANCE INFORMATION

Title insurance insures you against loss resulting from certain risks to your title.

The commitment for Title Insurance is the title insurance company's promise to issue the title insurance policy. The commitment is a legal document. You should review it carefully to completely understand it before your closing date.

| El seguro de título le asegura en relación a pérdidas resultantes de ciertos riesgos que pueden afectar el título de su propiedad. |
| El Compromiso para Seguro de Título es la promesa de la compañía aseguradora de títulos de emitir la póliza de seguro de título. El Compromiso es un documento legal. Usted debe leerlo cuidadosamente y entenderlo completamente antes de la fecha para finalizar su transacción. |

Your Commitment for Title insurance is a legal contract between you and us. The Commitment is not an opinion or report of your title. It is a contract to issue you a policy subject to the Commitment's terms and requirements.

Before issuing a Commitment for Title Insurance (the Commitment) or a Title Insurance Policy (the Policy), the Title Insurance Company (the Company) determines whether the title is insurable. This determination has already been made. Part of that determination involves the Company's decision to insure the title except for certain risks that will not be covered by the Policy. Some of these risks are listed in Schedule B of the attached Commitment as Exceptions. Other risks are stated in the Policy as Exclusions. These risks will not be covered by the Policy. The Policy is not an abstract of title nor does a Company have an obligation to determine the ownership of any mineral interest.

---MINERALS AND MINERAL RIGHTS may not be covered by the Policy. The Company may be unwilling to insure title unless there is an exclusion or an exception as to Minerals and Mineral Rights in the Policy. Optional endorsements insuring certain risks involving minerals, and the use of improvements (excluding lawns, shrubbery and trees) and permanent buildings may be available for purchase. If the title insurer issues the title policy with an exclusion or exception to the minerals and mineral rights, neither this Policy, nor the optional endorsements, insure that the purchaser has title to the mineral rights related to the surface estate.

Another part of the determination involves whether the promise to insure is conditioned upon certain requirements being met. Schedule C of the Commitment lists these requirements that must be satisfied or the Company will refuse to cover them. You may want to discuss any matters shown in Schedules B and C of the Commitment with an attorney. These matters will affect your title and your use of the land.

When your Policy is issued, the coverage will be limited by the Policy's Exceptions, Exclusions and Conditions, defined below.

---EXCEPTIONS are title risks that a Policy generally covers but does not cover in a particular instance. Exceptions are shown on Schedule B or discussed in Schedule C of the Commitment. They can also be added if you do not comply with the Conditions section of the Commitment. When the Policy is issued, all Exceptions will be on Schedule B of the Policy.

---EXCLUSIONS are title risks that a Policy generally does not cover. Exclusions are contained in the Policy but not shown or discussed in the Commitment.

---CONDITIONS are additional provisions that qualify or limit your coverage. Conditions include your responsibilities and those of the Company. They are contained in the Policy but not shown or discussed in the Commitment. The Policy Conditions are not the same as the Commitment Conditions.
TEXAS TITLE INSURANCE INFORMATION
(Continued)

You can get a copy of the policy form approved by the Texas Department of Insurance by calling the Title Insurance Company at 1-800-442-7067 or by calling the title insurance agent that issued the Commitment. The Texas Department of Insurance may revise the policy form from time to time.

You can also get a brochure that explains the policy from the Texas Department of Insurance by calling 1-800-252-3439.

Before the Policy is issued, you may request changes in the policy. Some of the changes to consider are:

—Request amendment of the "area and boundary" exception (Schedule B, paragraph 2). To get this amendment, you must furnish a survey and comply with other requirements of the Company. On the Owner's Policy, you must pay an additional premium for the amendment. If the survey is acceptable to the Company and if the Company's other requirements are met, your Policy will insure you against loss because of discrepancies or conflicts in boundary lines, encroachments or protrusions, or overlapping of improvements. The Company may then decide not to insure against specific boundary or survey problems by making special exceptions in the Policy. Whether or not you request amendment of the "area and boundary" exception, you should determine whether you want to purchase and review a survey if a survey is not being provided to you.

—Allow the Company to add an exception to "rights of parties in possession." If you refuse this exception, the Company or the title insurance agent may inspect the property. The Company may except to and not insure you against the rights of specific persons, such as renters, adverse owners or easement holders who occupy the land. The Company may charge you for the inspection. If you want to make your own inspection, you must sign a Waiver of Inspection form and allow the Company to add this exception to your Policy.

The entire premium for a Policy must be paid when the Policy is issued. You will not owe any additional premiums unless you want to increase your coverage at a later date and the Company agrees to add an Increased Value Endorsement.
DELETION OF ARBITRATION PROVISION  
(Not applicable to the Texas Residential Owner's Policy)

ARBITRATION is a common form of alternative dispute resolution. It can be a quicker and cheaper means to settle a dispute with your Title Insurance Company. However, if you agree to arbitrate, you give up your right to take the Title Insurance Company to court and your rights to discovery of evidence may be limited in the arbitration process. In addition, you cannot usually appeal an arbitrator’s award.

Your policy contains an arbitration provision (shown below). It allows you or the Company to require arbitration if the amount of insurance is $2,000,000 or less. If you want to retain your right to sue the Company in case of a dispute over a claim, you must request deletion of the arbitration provision before the policy is issued. You can do this by signing this form and returning it to the Company at or before the closing of your real estate transaction or by writing to the Company.

The arbitration provision in the Policy is as follows:

“Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is $2,000,000 or less shall be arbitrated at the option of either the Company or the Insured, unless the Insured is an individual person (as distinguished from an Entity). All arbitrable matters when the Amount of Insurance is in excess of $2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.”

_________________________  _______________________
Signature                    Date
FIDELITY NATIONAL FINANCIAL
PRIVACY NOTICE
Revised May 1, 2018

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, "FNF", "our," or "we") respect and are committed to protecting your privacy. This Privacy Notice explains how we collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of that information.

Types of Information Collected
We may collect two types of information from you: Personal Information and Browsing Information.

Personal Information. FNF may collect the following categories of Personal Information:
• contact information (e.g., name, address, phone number, email address);
• demographic information (e.g., date of birth, gender, marital status);
• identity information (e.g. Social Security Number, driver's license, passport, or other government ID number);
• financial account information (e.g. loan or bank account information); and
• other personal information necessary to provide products or services to you.

Browsing Information. FNF may automatically collect the following types of Browsing Information when you access an FNF website, online service, or application (each an "FNF Website") from your Internet browser, computer, and/or mobile device:
• Internet Protocol (IP) address and operating system;
• browser version, language, and type;
• domain name system requests; and
• browsing history on the FNF Website, such as date and time of your visit to the FNF Website and visits to the pages within the FNF Website.

How Personal Information is Collected
We may collect Personal Information about you from:
• information we receive from you on applications or other forms;
• information about your transactions with FNF, our affiliates, or others; and
• information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

How Browsing Information is Collected
If you visit or use an FNF Website, Browsing Information may be collected during your visit. Like most websites, our servers automatically log each visitor to the FNF Website and may collect the Browsing Information described above. We use Browsing Information for system administration, troubleshooting, fraud investigation, and to improve our websites. Browsing Information generally does not reveal anything personal about you, though if you have created a user account for an FNF Website and are logged into that account, the FNF Website may be able to link certain browsing activity to your user account.

Other Online Specifics
Cookies. When you visit an FNF Website, a "cookie" may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive. Information gathered using cookies helps us improve your user experience. For example, a cookie can help the website load properly or can customize the display page based on your browser type and user preferences. You can choose whether or not to accept cookies by changing your Internet browser settings. Be aware that doing so may impair or limit some functionality of the FNF Website.

Web Beacons. We use web beacons to determine when and how many times a page has been viewed. This information is used to improve our websites.

Do Not Track. Currently our FNF Websites do not respond to "Do Not Track" features enabled through your browser.
Links to Other Sites. FNF Websites may contain links to other websites. FNF is not responsible for the privacy practices or the content of any of those other websites. We advise you to read the privacy policy of every website you visit.

Use of Personal Information
FNF uses Personal Information for three main purposes:
• To provide products and services to you or in connection with a transaction involving you.
• To improve our products and services.
• To communicate with you about our, our affiliates’, and third parties’ products and services, jointly or independently.

When Information Is Disclosed
We may make disclosures of your Personal Information and Browsing Information in the following circumstances:
• to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
• to nonaffiliated service providers who provide or perform services or functions on our behalf and who agree to use the information only to provide such services or functions;
• to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you;
• to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order; or
• in the good-faith belief that such disclosure is necessary to comply with legal process or applicable laws, or to protect the rights, property, or safety of FNF, its customers, or the public.

The law does not require your prior authorization and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with nonaffiliated third parties, except as required or permitted by law.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of bankruptcy, reorganization, insololvency, receivership, or an assignment for the benefit of creditors. By submitting Personal Information and/or Browsing Information to FNF, you expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings.

Please see "Choices With Your Information" to learn the disclosures you can restrict.

Security of Your Information
We maintain physical, electronic, and procedural safeguards to guard your Personal Information. We limit access to nonpublic personal information about you to employees who need to know that information to do their job. When we provide Personal Information to others as discussed in this Privacy Notice, we expect that they process such information in compliance with our Privacy Notice and in compliance with applicable privacy laws.

Choices With Your Information
If you do not want FNF to share your information with our affiliates to directly market to you, you may send an "opt out" request by email, phone, or physical mail as directed at the end of this Privacy Notice. We do not share your Personal Information with our affiliates for their use to direct market to you.

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you.

For California Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties, except as permitted by California law.

For Nevada Residents: You may be placed on our internal Do Not Call List by calling (888) 934-3354 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.
For Oregon Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

For Vermont Residents: We will not disclose information about you creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

Information From Children.
The FNF Websites are meant for adults and are not intended or designed to attract persons under the age of eighteen (18). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

International Users.
FNF’s headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that information outside of your country of residence for any of the purposes described in this Privacy Notice. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such information in accordance with this Privacy Notice.

FNF Website Services for Mortgage Loans
Certain FNF companies provide services to mortgage loan servicers, including hosting websites that collect customer information on behalf of mortgage loan servicers (the "Service Websites"). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender’s privacy notice. The sections of this Privacy Notice titled When Information is Disclosed, Choices with Your Information, and Accessing and Correcting Information do not apply to the Service Websites. The mortgage loan servicer or lender's privacy notice governs use, disclosure, and access to your Personal Information. FNF does not share Personal Information collected through the Service Websites, except (1) as required or authorized by contract with the mortgage loan servicer or lender, or (2) as required by law or in the good-faith belief that such disclosure is necessary to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNF or the public.

Your Consent To This Privacy Notice: Notice Changes
By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The revised Privacy Notice, showing the new revision date, will be posted on the FNF Website. Each time you provide information to us following any amendment of this Privacy Notice, your provision of information to us will signify your assent to and acceptance of the terms of the revised Privacy Notice for all previously collected information and information collected from you in the future. We may use comments, information or feedback that you submit to us in any manner that we may choose without notice or compensation to you.

Accessing and Correcting Information: Contact Us.
If you have questions, would like to access or correct your Personal Information, or want to opt-out of information sharing for affiliate marketing, send your requests via email to privacy@fnf.com, by phone to (888) 934-3354, or by mail to:

Fidelity National Financial, Inc.
601 Riverside Avenue,
Jacksonville, Florida 32204
Attn: Chief Privacy Officer
This is Exhibit A from the First Amendment to the Contract of Sale dated January 12, 2018. As shown below, there is an additional entry drive added on the southeast corner that is different from the Exhibit A from the original Contract of Sale. The attached updated site plan now matches this site control document.
In the course of the Department’s Housing Tax Credit Eligibility/Selection/Threshold and/or Direct Loan review of the above referenced application, a possible Administrative Deficiency as defined in §10.3(a)(2) and described in §10.201(7)(A) and/or §10.201(7)(B) of the 2018 Uniform Multifamily Rules was identified. By this notice, the Department is requesting documentation to correct the following deficiency or deficiencies. Any issue initially identified as an Administrative Deficiency may ultimately be determined to be beyond the scope of an Administrative Deficiency, and the distinction between material and non-material missing information is reserved for the Director of Multifamily Finance, Executive Director, and Board.

1. **Elevations:** The percentage of exterior materials only totals up to 99%. Please only submit the updated elevation architectural pages.

The above list may not include all Administrative Deficiencies such as those that may be identified upon a supervisory review of the application. Notice of additional Administrative Deficiencies may appear in a separate notification.

All deficiencies must be corrected or otherwise resolved by 5 pm Austin local time on the fifth business day following the date of this deficiency notice. Deficiencies resolved after 5 pm Austin local time on the fifth business day will have 5 points deducted from the final score. For each additional day beyond the fifth day that any deficiency remains unresolved, the application will be treated in accordance with §10.201(7)(B) of the 2018 Uniform Multifamily Rules. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day may be terminated.

All deficiencies related to the Direct Loan portion of the Application must be resolved to the satisfaction of the Department by 5pm Austin local time on the fifth business day following the date of this deficiency notice. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day will be suspended from further processing, and the Applicant will be notified to that effect, until the deficiencies are resolved. If, during the period of time when the Application is suspended from review, Direct Loan funds become oversubscribed, the Applicant will be informed that unless the outstanding item(s) are resolved within one business day the Application will be terminated. For purposes of priority under the Direct Loan set-asides, if the outstanding item(s) are resolved within one business day, the date by which the item is submitted shall be the new received date pursuant to §13.5(c) of the 2018 Multifamily Direct Loan Rule. Applicants should be prepared for additional time needed for completion of staff reviews.
Unless the person that issued this deficiency notice, named below, specifies otherwise, submit all documentation at the same time and in only one file using the Department’s Serv-U HTTPs System. Once the documents are submitted to the Serv-U HTTPs system, please email the staff member issuing this notice. If you have questions regarding the Serv-U HTTPs submission process, contact Liz Cline at liz.cline@tdhca.state.tx.us or by phone at (512)475-3227. You may also contact Jason Burr at jason.burr@tdhca.state.tx.us or by phone at (512)475-3986.

All applicants should review §§11.1(b) and 10.2(b) of the 2018 QAP and Uniform Multifamily Rules as they apply to due diligence, applicant responsibility, and the competitive nature of the program for which they are applying.

**All deficiencies must be corrected or clarified by 5 pm Austin local time on May 21, 2018. Please respond to this email as confirmation of receipt.**

Shannon Roth
Multifamily Housing Specialist
Texas Department of Housing and Community Affairs
221 E. 11th Street | Austin, TX 78701
Office: 512.475.3929
Fax: 512.475.1895

About TDHCA
The Texas Department of Housing and Community Affairs is committed to expanding fair housing choice and opportunities for Texans through the administration and funding of affordable housing and homeownership opportunities, weatherization, and community-based services with the help of for-profits, nonprofits, and local governments. For more information about fair housing, funding opportunities, or services in your area, please visit www.tdhca.state.tx.us or the Learn about Fair Housing in Texas page.

Any person receiving guidance from TDHCA staff should be mindful that, as set forth in 10 TAC Section 11.1(b) there are important limitations and caveats (Also see 10 TAC §10.2(b)).
In the course of the Department’s Housing Tax Credit Eligibility/Selection/Threshold and/or Direct Loan review of the above referenced application, a possible Administrative Deficiency as defined in §10.3(a)(2) and described in §10.201(7)(A) and/or §10.201(7)(B) of the 2018 Uniform Multifamily Rules was identified. By this notice, the Department is requesting documentation to correct the following deficiency or deficiencies. Any issue initially identified as an Administrative Deficiency may ultimately be determined to be beyond the scope of an Administrative Deficiency, and the distinction between material and non-material missing information is reserved for the Director of Multifamily Finance, Executive Director, and Board.

- Accessible Mobility and Hearing/Visual Units: The types and number of accessible units do not match throughout the site plan, building plans and calculation forms.

- Parking spaces: I count 170 parking spaces on the site plan. Please confirm the total number of parking spaces and make appropriate changes.

The above list may not include all Administrative Deficiencies such as those that may be identified upon a supervisory review of the application. Notice of additional Administrative Deficiencies may appear in a separate notification.

All deficiencies must be corrected or otherwise resolved by 5 pm Austin local time on the fifth business day following the date of this deficiency notice. Deficiencies resolved after 5 pm Austin local time on the fifth business day will have 5 points deducted from the final score. For each additional day beyond the fifth day that any deficiency remains unresolved, the application will be treated in accordance with §10.201(7)(B) of the 2018 Uniform Multifamily Rules. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day may be terminated.

All deficiencies related to the Direct Loan portion of the Application must be resolved to the satisfaction of the Department by 5pm Austin local time on the fifth business day following the date of this deficiency notice. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day will be suspended from further processing, and the Applicant will be notified to that effect, until the deficiencies are resolved. If, during the period of time when the Application is suspended from review, Direct Loan funds become oversubscribed, the Applicant will be informed that unless the outstanding item(s) are resolved within one business day the Application will be terminated. For purposes of priority under the Direct Loan set-asides, if the outstanding item(s) are resolved within one business day, the date by which the item is submitted shall be the new received date pursuant to §13.5(c) of the 2018 Multifamily Direct Loan Rule. Applicants should be
prepared for additional time needed for completion of staff reviews.

Unless the person that issued this deficiency notice, named below, specifies otherwise, submit all documentation at the same time and in only one file using the Department’s Serv-U HTTPS System. Once the documents are submitted to the Serv-U HTTPS system, please email the staff member issuing this notice. If you have questions regarding the Serv-U HTTPS submission process, contact Liz Cline at liz.cline@tdhca.state.tx.us or by phone at (512)475-3227. You may also contact Jason Burr at jason.burr@tdhca.state.tx.us or by phone at (512)475-3986.

All applicants should review §§11.1(b) and 10.2(b) of the 2018 QAP and Uniform Multifamily Rules as they apply to due diligence, applicant responsibility, and the competitive nature of the program for which they are applying.

**All deficiencies must be corrected or clarified by 5 pm Austin local time on Friday, May 25, 2018. Please respond to this email as confirmation of receipt.**

About TDHCA
The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit www.tdhca.state.tx.us.

Nicole Fisher
Housing Specialist
Texas Department of Housing and Community Affairs
221 E. 11th Street | Austin, TX 78701
Office: 512.475.2201
Fax: 512.475.1895

Any person receiving guidance from TDHCA staff should be mindful that, as set forth in 10 TAC Section 11.1(b) there are important limitations and caveats (Also see 10 TAC §10.2(b)).
May 22, 2018

TDHCA
Nicole Fisher
TDHCA – Housing Specialist
nicole.fisher@tdhca.state.tx.us

RE: TDHCA #18069, Palladium Farmersville; Deficiency Notice dated May 18, 2018

Nicole,

This letter is in response to your Deficiency Notice dated May 18, 2018. Below I have listed each item and provided its respective response labeled underneath.

Request: 1. Accessible Mobility and Hearing/Visual Units: The types and number of accessible units do not match throughout the site plan, building plans and calculation forms.

Response: Upon review, we realized that our site plan was not consistent with the calculation forms. Therefore, we have updated our site plan and building plans to be consistent with our calculation form of having 1 – A1, 2 – B1, and 1 – C1 Accessible Units. We also corrected the Building Plans to be consistent with one of each unit type for hearing/visual units. See attached.

Request: 2. Parking spaces: I count 170 parking spaces on the site plan. Please confirm the total number of parking spaces and make appropriate changes.

Response: We recounted and found that you are correct that the site plan shows 170 spaces. We have revised the parking count on the site plan to show 170 spaces. In addition, we have updated the Accessible Parking Calculation tab and the Architect Certification letter to indicate 170 parking spaces. See the attached.

Please contact me at 972-774-4400 or tom@palladiumusa.com if you need any additional information.

Sincerely,

Thomas E. Huth
Authorized Representative
Palladium Farmersville, Ltd.
Accessible Parking Calculation

Include this worksheet in the Application (or a signed and certified worksheet provided by your accessibility professional that shows the calculations).

Parking requirements based on:

There must be one accessible space per accessible Unit located on the closest route to the Unit (ADA).

When parking is provided for leasing office and amenities, use ADA Table 208.2 to calculate.

When calculating additional spaces needed, use whichever yields the larger number of spaces.

If you have different kinds of parking, e.g. lot, carport, and garages, each has to meet the standards individually.

If there is a separate amenity (e.g. a pavilion in the back corner of property) that provides non-accessible spaces, at least one space would need to be an accessible.

Use this chart to indicate number of parking spaces provided.
enter the total number of parking spaces

enter the parking type and the number of spaces in each, starting with the surface lot (*see the example)

**Make sure the totals match!**

<table>
<thead>
<tr>
<th>Total # of Spaces</th>
<th>170</th>
<th>Percentage of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface lot</td>
<td>161</td>
<td>0.947058824</td>
</tr>
<tr>
<td>Clubhouse</td>
<td>9</td>
<td>0.052941176</td>
</tr>
<tr>
<td></td>
<td></td>
<td>170 100</td>
</tr>
</tbody>
</table>

**EXAMPLE**

<table>
<thead>
<tr>
<th>Total # of Spaces</th>
<th>450</th>
<th>Percentage of Total</th>
</tr>
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<tbody>
<tr>
<td>Surface lot</td>
<td>300</td>
<td>0.666666667</td>
</tr>
<tr>
<td>Carports</td>
<td>100</td>
<td>0.222222222</td>
</tr>
<tr>
<td>Garages</td>
<td>50</td>
<td>0.111111111</td>
</tr>
<tr>
<td>Facility 4</td>
<td>0</td>
<td>0.000000000</td>
</tr>
<tr>
<td>Facility 5</td>
<td>0</td>
<td>0.000000000</td>
</tr>
<tr>
<td></td>
<td>450</td>
<td>100</td>
</tr>
</tbody>
</table>

Use this chart to figure out accessible parking requirements.
chart above must be completed first

In C32, enter the total number of accessible spaces required
(see Application Webinar, Part 3, from 0:00 - 14:20, or webinar slides starting at slide 136)

In D33, enter the number of units required per accessible Unit in the surface lot
In column F, distribute required van spaces among the different parking facilities

<table>
<thead>
<tr>
<th># Accessible Spaces</th>
<th>13</th>
<th>Distribution</th>
<th>Van Spaces</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface lot</td>
<td>12.311765</td>
<td>12</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Club</td>
<td>0.6882353</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>0</td>
<td>0</td>
<td></td>
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<td></td>
<td></td>
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<td>0</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>13</td>
<td>13</td>
<td>7</td>
<td></td>
</tr>
</tbody>
</table>

**EXAMPLE**

<table>
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<th>16</th>
<th>Distribution</th>
<th>Van Spaces</th>
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<td>Surface lot</td>
<td>10.666667</td>
<td>10</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Carports</td>
<td>3.5555556</td>
<td>4</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Garages</td>
<td>1.7777778</td>
<td>2</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Facility 4</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Facility 5</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>16</td>
<td>16</td>
<td>3</td>
<td></td>
</tr>
</tbody>
</table>

By signing below, I (WE) certify that the information above meets the requirements in the 2010 ADA Standards for Accessible Design Title III regulations at 28 CFR part 36, subpart D, and the 2004 ADA Accessibility Guidelines at 36 CFR part 1191, appendices B and D. There will be at least one accessible spot per accessible unit located on the closest route to the accessible unit. For every 6 or fraction of 6 accessible spaces required, at least one will be van accessible. Accessible spaces will be dispersed amongst the parking types provided.

By: __________________________
Signature

05.21.2018
Date

Michael Delgado
Printed Name

Coss Architects
Firm Name (If applicable)
May 21, 2018

To: Mr. Ryan Combs  
Palladium USA International, Inc.  
13455 Noel Road #400  
Dallas, Texas 75240  
P: 972.774.4435

Re: Palladium-Farmersville  
Farmersville, Texas

Mr. Combs,

Per the attached Architect Certification for Palladium Farmersville, all accessibility requirements have been met for both the physically accessible and the hearing/visual impaired. Per the attached Unit Tabulation sheet, the total number of units for the project is 80, and of those, 4 units will be HC Accessible and 3 units will meet the requirements for hearing/visual impaired. The total number of parking spaces for the entire project is 170 spaces, and the total number of HC accessible parking spaces is 13. The total amount of ADA parking spaces meets all HC requirements and provides access to any part of the property.

Please contact our office with any questions or comments.

Best Regards,

[Signature]

Brian Rumsey, NCARB  
Cross Architects, PLLC
Scoring Notice
RE: 2018 Competitive Housing Tax Credit (HTC) Application for Palladium Farmersville, TDHCA
Number: 18069

The Texas Department of Housing and Community Affairs has completed its program review of the Application referenced above as further described in the 2018 Qualified Allocation Plan (“QAP”). This scoring notice provides a summary of staff’s assessment of the application’s score. The notice is divided into several sections.

Section 1 of the scoring notice provides a summary of the score requested by the Applicant followed by the score staff has assessed based on the Application submitted. You should note that six scoring items are not reflected in this scoring comparison but are addressed separately.

Section 2 of the scoring notice includes each of the six scoring criteria for which points could not be requested by the Applicant in the application self-score form and include: §11.9(c)(8) Readiness to Proceed in Disaster Impacted Counties, §11.9(d)(1) Local Government Support, §11.9(d)(4) Quantifiable Community Participation, §11.9(d)(5) Community Support from State Representative, §11.9(d)(6) Input from Community Organizations, and §11.9(d)(7) Concerted Revitalization Plan.

Section 3 provides information related to any point deductions assessed under §11.9(f) of the QAP or §10.201(7)(A) of the Uniform Multifamily Rules.

Section 4 provides the final cumulative score in bold.

Section 5 includes an explanation of any differences between the requested and awarded score as well as any penalty points assessed.

The scores provided herein are merely informational at this point in the process and may be subject to change. For example, points awarded under §11.9(e)(4) “Leveraging of Private, State, and Federal Resources”, 11.9(b)(1)(A) "Unit Sizes", 11.9(b)(1)(B) "Unit and Development Features", 11.9(c)(1) "Income Levels of Tenants", 11.9(c)(2) "Rent Levels of Tenants", 11.9(e)(1) "Financial Feasibility", 11.9(e)(3) "Pre-Application Participation", and may be adjusted should the underwriting review result in changes to the Application that would affect these scores. If a scoring adjustment is necessary, staff will provide the Applicant a revised scoring notice.

Be further advised that if the Applicant failed to properly disclose information in the Application that could have a material impact on the scoring information provided herein, the score included in this notice may require adjustment and/or the Applicant may be subject to other penalties as provided for in the Department’s rules.

This scoring notice is provided by staff at this time to ensure that an Applicant has sufficient notice to exercise any appeal process provided under §10.902 of the Uniform Multifamily Rules. All information in this scoring notice is further subject to modification, acceptance, and/or approval by the Department’s Governing Board. If the score of an Application changes, a revised scoring notice will be provided to the Applicant.
Page 2 of Final Scoring Notice: 18069, Palladium Farmersville

Section 1:
Score Requested by Applicant (Not including points for §11.9(c)(8) or (d)(1), (4), (5), (6) or (7) of the 2018 QAP): 118
Score Awarded by TDHCA (Not including points for §11.9(c)(8) or (d)(1), (4), (5), (6) or (7) of the 2018 QAP): 118
Difference between Requested and Awarded: 0

Section 2:
Points Awarded for §11.9(c)(8) Readiness to Proceed: 0
Points Awarded for §11.9(d)(1) Local Government Support: 17
Points Awarded for §11.9(d)(4) Quantifiable Community Participation: 4
Points Awarded for §11.9(d)(5) Community Support from State Representative: 8
Points Awarded for §11.9(d)(6) Input from Community Organizations: 4
Points Awarded for §11.9(d)(7) Concerted Revitalization Plan: 0

Section 3:
Points Deducted for §11.9(f) of the QAP or §10.201(7)(A) of the Uniform Multifamily Rules: 0

Section 4:
Final Score Awarded to Application by Department staff (Including all points): 151

Section 5:
Explanation for difference between points requested and points awarded by the Department as well as penalties assessed:

NA

Restrictions and requirements relating to the filing of an appeal can be found in §10.902 of the Uniform Multifamily Rules. If you wish to appeal this scoring notice, you must file your appeal with the Department no later than 5:00 p.m. Austin local time, Friday, June 1, 2018. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring are heard at the Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the Applicant is able to request that the appeal automatically be added to the Board agenda.

If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Sharon Gamble at (512) 936-7834 or by email at sharon.gamble@tdhca.state.tx.us.

Sincerely,

Sharon D. Gamble
Sharon D. Gamble
Competitive HTC Program Administrator
Request for Administrative Deficiencies
RFI
In the course of the Department's underwriting review of the above referenced application an Administrative Deficiency, as defined in 10 TAC §10.3(a)(2), has been identified. By this notice, the Department is requesting information to clarify or to correct inconsistencies found in the Application or to provide non-material missing information. All Administrative Deficiency requests will be treated in accordance with §10.201(7) of the Uniform Multifamily Rules.

All deficiencies must be satisfactorily corrected or clarified by 5:00 p.m. Central Time on **Wednesday, July 25, 2018** (fifth business day following the date of this deficiency notice).

All documentation should be submitted as a whole using the Department's Serv-U HTTPs System. Once the documents are submitted to the Serv-U HTTPs system, please email the staff member issuing this notice. If you have questions regarding the Serv-U HTTPs submission process, contact Jason Burr at jason.burr@tdhca.state.tx.us or by phone at (512)475-3986. You may also contact Nicole Fisher at nicole.fisher@tdhca.state.tx.us or by phone at (512)475-2201.

**NOTICE:** Pursuant to §10.201(7) of the Uniform Multifamily Rules, revised Application exhibits not specifically requested by the Underwriter in an Administrative Deficiency WILL NOT be accepted.

1. **Annual Operating Expenses:** Please provide the following:
   1. A list of comparable properties used to pro forma the Subject.
   2. A Staffing plan, itemizing staffing intentions and budgets
   3. Additional clarification/explanation on how the Water, Sewer, Trash & Utility estimates were determined.

   **Response:**
   1. List of comparable properties attached.
   2. Staffing plan attached.
   3. Our Management Company, Omnium Management, is comfortable with the Water, Sewer, Trash and Utility estimates in the application. Our property Palladium Aubrey is at $648 per unit. Palladium Farmersville is expected to cost more ($706 per unit) as there are only 80 units to pass the cost across versus Aubrey and there is a lot of green area to water.

2. **Development Costs:** Per our conversation, please provide a copy of the current construction contract (SOVs) for Palladium Anna.

   **Response:**
   See the attached construction contract for Palladium Denton as that is the development we recently closed and used to pro
3. **Environmental Site Assessment:** The currently submitted ESA is dated 1/22/2017. Has there been an update to this report?

Response:

The submitted ESA had an error on the date of the report as it was supposed to show 1/22/18 as the date of the report. We have attached the revised pages showing the correct report date of 1/22/18.

4. **ALL ADDITIONAL QUESTIONS INTENTIONALLY LEFT BLANK.**

Response:

5. 

Response:

6. 

Response:

7. 

Response:

8. 

Response:

9. 

Response:

10. 

Response:

11. 

Response:
<table>
<thead>
<tr>
<th>Property</th>
<th>Type</th>
<th>Building</th>
<th>Location</th>
<th>Number of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grand Venetian</td>
<td>Market Rate</td>
<td>Garden-Style</td>
<td>Irving, Texas</td>
<td>514</td>
</tr>
<tr>
<td>Verona</td>
<td>Market Rate</td>
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<td>Dallas, Texas</td>
<td>273</td>
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<td>Grand Treviso</td>
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# PALLADIUM FARMERSVILLE PROJECTED STAFFING

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Texas Department of Housing and Community Affairs,
a public and official department of the State of Texas
221 East 11th Street
Austin, Texas 78701

Re: Phase Engineering, Inc. Phase I Environmental Site Assessment (ESA) Report No. 201712108
   Approximately 6.742 Acres Located along County Road 607, Farmersville, Collin County,
   Texas 75442

To Whom It May Concern,

This letter is to certify that the Phase I Environmental Site Assessment (the “Report”) relating to the above
referenced property completed by Phase Engineering, Inc. (the “Consultant”) may be conveyed to and
relied upon by Texas Department of Housing and Community Affairs as if the Report had originally been
prepared for them.

The report fee is Phase Engineering, Inc.’s sole benefit and findings are not contingent on compensation
from the client or its affiliates. Phase Engineering has read and understands the department rules
regarding this report as found in 2018 Real Estate Analysis rules as codified in Chapter 10, Subchapter
D, §§10.301 - 10.307 Underwriting and Loan Policy of the Uniform Multifamily Rules, “Section 10.305:
Environmental Site Assessment Rules and Guidelines.”

In addition to the conclusions and findings reported in the document, the report indicates any of the below
undesirable neighborhood characteristics are within the ASTM search radius from the subject property, in
accordance with the Site and Development Requirements and Restrictions listed in Subchapter B,
§10.101 (a)(4)(B)(v) of the Uniform Multifamily Rules.

<table>
<thead>
<tr>
<th>Database</th>
<th>ASTM Search Radius</th>
<th>Sites Found</th>
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<td>Federal CERCLA</td>
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<td>Federal Institutional Control / Engineering Control Registries</td>
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</table>

Thank you for using the professional environmental services of Phase Engineering, Inc. If you should
have any questions, please contact me at 713-476-9844.

Sincerely,

James C. Dismukes, P.E.
President
Phase Engineering, Inc.
Phase I Environmental
Site Assessment

Approximately 6.742 Acres Located along County Road 607, Farmersville, Collin County, Texas 75442

January 22, 2018
PEI Project No.: 201712108

Prepared for:
Palladium USA International, Inc.
and
Texas Department of Housing and Community Affairs (TDHCA)

Prepared by:
Phase Engineering, Inc.
5524 Cornish Street
Houston, Texas 77007
THIS CONSTRUCTION CONTRACT is made this 26th day of June, 2018, between Treymore Construction, LLC (“Contractor”) and Palladium Denton, Ltd. (“Owner”) (“CONTRACT”).

The definition of any capitalized term or word used herein can be found in this Contract and the General Conditions, except the term “Project” shall have the same definition as in the Regulatory Agreement between Borrower (Owner) and HUD, except that the term “Program Obligations” means (1) all applicable statutes and any regulations issued by the Secretary pursuant thereto that apply to the Project, including all amendments to such statutes and regulations, as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process, and (2) all current requirements in HUD handbooks and guides, notices, and mortgagee letters that apply to the Project, and all future updates, changes and amendments thereto, as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process, and provided that such future updates, changes and amendments shall be applicable to the Project only to the extent that they interpret, clarify and implement terms in this Contract rather than add or delete provisions from such document. Handbooks, guides, notices, and mortgagee letters are available on HUD’s official website: (http://www.hud.gov/offices/adm/hudclips/index.cfm or a successor location to that site). Any HUD form referenced herein shall be the current version of that form, and shall include any successor form adopted by HUD.

The Contractor and the Owner agree as follows:

Article 1: Scope of Contract

A. The Contract between the parties is set forth in the “Contract Documents,” which consist of this Agreement and the other documents identified in Article 2 below. Together, these form the entire Contract between Owner and Contractor, and by this reference these Contract Documents are fully incorporated herein. Any previously existing contract or understanding concerning the Work contemplated by the Contract Documents is hereby revoked. Any side agreements between Owner and Contractor shall be disclosed to HUD.

B. Except to the extent specifically indicated in the Contract Documents to be the
responsibility of others, Contractor shall furnish all of the materials and perform all of the Work shown on, and in accordance with, the Drawings and Specifications.

Article 2: Identification of Contract Documents

A. The Contract Documents are identified as follows:

(1) This Construction Contract (HUD-92442M) (Agreement).

(2) The General Conditions of the Contract for Construction, AIA Document A201 – 2007 ("General Conditions"), expressly excepting those provisions mandating binding arbitration. If any of the provisions of this Agreement conflict with the terms contained in the General Conditions, the provisions in this Agreement shall control. Exhibit "A".

(3) The Supplementary Conditions of the Contract for Construction (HUD-92554M). Exhibit "B".

(4) The HUD Special Conditions, attached hereto as Exhibit N/A.

(5) The Drawings, an index of which is attached hereto as Exhibit "C".

(6) The Specifications, an index of which is attached hereto as Exhibit "C".

(7) The Contractor's and/or Mortgagor's Cost Breakdown (HUD-2328), approved by HUD on the date of June 5, 2018, attached hereto as Exhibit "D".

(8) [Applicable for Lump Sum Contracts when an Incentive Payment Addendum is agreed to by the parties] If this is designated a Lump Sum Contract and there is no Identity of Interest between Contractor and Owner, the Construction Contract Incentive Payment (HUD-92443) form is attached hereto as Exhibit N/A (Incentive Payment Addendum).

(9) The Prevailing Wage Determination TX180024 Modification Number 0, last published/modified on (date) January 5, 2018, and attached hereto as Exhibit "E".

(10) Completed and fully-executed document identifying Identities of Interest among Owner, Contractor, Subcontractors, and Architect (see Appendix 8 of Handbook 4430.1 and the MAP Guide Appendices). Exhibit N/A.

(11) Any change orders approved by HUD after the execution of this Contract.
(12) If applicable, the Retainage Reduction Rider attached hereto as Exhibit N/A.

B. The Drawings and Specifications were prepared by Cross Architects (Design Architect). The architect administering the Construction Contract is Cross Architects ("Architect").

C. A master set of the Drawings and Specifications, identified by the signatures of Owner, Contractor, Design Architect, Architect, Lender (if applicable), and Contractor’s surety or guarantor (if applicable), have been placed on file with HUD, and shall govern in all matters that arise with respect to the Contract Documents.

D. Changes in the Drawings and Specifications, or any terms of the Contract Documents, including orders for extra work, changes by altering or adding to the Work, orders that shall change the design concept, or orders extending the Project Substantial Completion Deadline (identified in Article 3) may be effected only with the prior written approval of Owner’s Lender (as defined in Article 11) and HUD, and under such conditions as either Lender or HUD may establish.

Article 3: Time

A. Contractor shall commence the Work to be performed under this Contract within 10 days of this Agreement and shall bring the Work to Project Substantial Completion by September 26, 2019 ("Project Substantial Completion Deadline").

B. "Project Substantial Completion" shall be the date that the HUD Representative signs the final FHA Inspection Report contained in form HUD-92485 (Permission to Occupy Project Mortgages) for the Project required by the Contract Documents and Program Obligations, provided the Permission to Occupy in the same HUD-92485 is subsequently signed by the Authorized Agent of FHA. For purposes of determining any Liquidated Damages in Article 3.E below, "Substantial Completion" shall be the stage in the progress of the Work when a designated portion of the Work is sufficiently complete in accordance with the Contract Documents and Program Obligations so that the Owner can occupy or utilize that designated portion of the Work for its intended use, the HUD Representative signs the FHA Inspection Report in form HUD-92485, and the Permission to Occupy in the same HUD-92485 is subsequently signed by the Authorized Agent of FHA. Notwithstanding any other provision in the Contract Documents, Contractor remains liable to complete items of incomplete construction as approved in HUD’s sole discretion.

C. The Project Substantial Completion Deadline may be extended in accordance with the terms of the General Conditions only with the prior written approval of HUD through a HUD-approved change order.

D. Contractor shall correct any defects due to faulty materials or workmanship which appear within twelve (12) months from Project Substantial Completion. Warranty for Work first performed after Project Substantial Completion or portions of the Work not specifically included in a Certificate of Substantial Completion (defined as any executed Permission to Occupy in HUD-92485) shall extend twelve (12) months from the Date of Final Completion. The “Date of Final Completion” shall be the date the HUD representative signs the final HUD Representative’s Trip Report (form HUD-95379)
provided that the trip report is subsequently endorsed by the Construction Manager. Warranty for all Work performed after the Date of Final Completion shall extend twelve (12) months from the date all such Work is completed.

E. If Contractor does not meet the Project Substantial Completion Deadline or such date to which the Project Substantial Completion Deadline may be mutually extended by approved change order, in accordance with the Drawings and Specifications, including any authorized changes, the maximum sum stated in Article 4 (either Option 1 or Option 2) below shall be reduced by $15.25 per unit for each day of delay until Project Substantial Completion ("Liquidated Damages"). Liquidated Damages, however, shall not be assessed against any of the Work that has reached Substantial Completion (if applicable) in accordance with Program Obligations. When Owner submits to HUD its Cost Certification, Actual Damages shall be calculated. The term "Actual Damages" is defined as the actual cost of interest, taxes, insurance and mortgage insurance premiums, less the Project’s net operating income, for the period from the Project Substantial Completion Deadline through Project Substantial Completion, the calculation of which shall be approved by HUD. The lesser of the Liquidated Damages or Actual Damages shall be applied.

Article 4: Contract Sum -- Lump Sum Contract

A. Owner shall pay Contractor for the performance of this Contract, hereinafter provided, the sum of $16,291,315.00 (sixteen million two hundred ninety-one thousand three hundred fifteen zero/100 dollars).

Article 5: Requisition and Payment Procedures

A. Each month after the commencement of Work hereunder, Contractor shall make a monthly request on HUD-92448 for payment by Owner for Work done during the preceding month. Each request for payment shall be filed at least 15 days before the date payment is desired. Subject to the approval of Lender and HUD, Contractor shall be entitled to payment thereon in an amount equal to (1) the total value of classes of the Work acceptably completed; plus (2) the value of materials and equipment not incorporated in the Work, but delivered to and suitably stored at the site; plus (3) the value of components stored off-site in compliance with Program Obligations; less (4) ten (10) percent holdback [as this percentage may be reduced in accordance with the provisions of the Retainage Reduction Rider attached hereto, if applicable](or as reduced by HUD in writing) and less (5) prior payments. The "values" of (1), (2) and (3) shall be computed in accordance with the amounts assigned to classes of Work in HUD-92328.

B. With its final application for payment by Owner, Contractor shall disclose, on a form prescribed by HUD, all unpaid obligations contracted in connection with the Work performed under this Contract. Contractor agrees that within 15 days following receipt of final payment, it shall pay such obligations in cash and furnish satisfactory evidence of such payment to Owner.

C. The balance due to Contractor hereunder shall be payable upon the expiration of thirty (30) days after the Work hereunder is fully completed, provided the following have occurred: (1) all Work hereunder requiring inspection by Governmental Authorities
having jurisdiction has been inspected and approved by such authorities and by the 
-rating or inspection organization, bureau, association or office having jurisdiction; (2) all 
certificates of occupancy, or other approvals, with respect to the Project have been 
issued by Governmental Authorities; (3) Permission(s) to Occupy (HUD-92485) for all 
units of the Project have been issued by HUD; (4) where applicable, HUD shall have 
approved Contractor's Certificate of Actual Cost; (5) as-built Drawings and 
Specifications, the as-built survey and all warranties shall have been delivered to Owner; 
and (6) all executed final advance documents required by HUD have been submitted.

Article 6: Receipts, Releases of Liens & Payments for Materials & 
Equipment

A. Contractor agrees that within fifteen (15) days following receipt of each monthly 
payment, it shall pay in full and in cash all obligations for Work done and materials, 
equipment and fixtures furnished through the date covered by such monthly payment. 
Contractor may withhold retainage from the payment due each subcontractor, 
corresponding to, but not exceeding, the ten (10) percent holdback specified in item (4) of 
Article 5, paragraph A.

B. Owner may require Contractor to attach to each request for payment its 
acknowledgment of payment and all subcontractors' and material suppliers' 
acknowledgments of payment for Work done and materials, equipment and fixtures 
furnished through the date covered by the previous payment.

C. Contractor agrees that no materials or equipment required by the 
Specifications shall be purchased under a conditional sale contract or with the use of any 
security agreement or other vendor's title or lien retention instrument.

D. Concurrently with the final payment, Contractor shall execute a waiver or 
release of lien for all the Work performed and materials furnished hereunder, and Owner 
shall require Contractor to obtain similar waivers or releases from all subcontractors and 
material suppliers, if permitted by state law.

Article 7: Obligations of Contractor

A. Contractor shall furnish, at its own expense, all building and other permits, 
licenses, tools, equipment and temporary structures necessary for the construction of the 
Project. Contractor shall give all required notices and shall comply with all applicable 
codes, laws, ordinances, rules and regulations, and protective covenants, wherever 
applicable. Contractor shall comply with the provisions of the Occupational Safety and 
Health Act of 1970. Contractor shall immediately notify Owner, Lender and HUD of the 
delivery of all permits, licenses, certificates of inspection, certificates of occupancy, and 
any other such certificates and instruments required by law, regardless of to whom 
issued, and shall cause them to be displayed to Owner, Lender and HUD upon request.

B. If Contractor observes that the Drawings and Specifications are at variance 
with any applicable codes, laws, ordinances, rules or regulations, or protective 
covenants, it shall promptly notify Architect in writing, and any necessary changes shall 
be made as provided in this Contract for changes in the Drawings and Specifications. If 
Contractor performs any Work knowing it to be contrary to such codes, laws, ordinances,
rules or regulations, or protective covenants, without giving such notice to Architect, it shall bear all costs arising therefrom.

C. Upon completion of construction, Contractor shall furnish to Owner a land survey map prepared in accordance with Program Obligations, ALTA-ACSM standards and the HUD Surveyor’s Report showing the location on the site of all improvements constructed thereon, and showing the location of all water, sewer, gas and electric lines and mains, and of all existing utility easements. Such survey map shall be prepared by a licensed surveyor who shall certify that the Work is installed and erected entirely upon the land covered by the Security Instrument and within any building restriction lines on said land, and does not overhang or otherwise encroach upon any easement or right-of-way of others. To the extent such data shows that the Contractor has deviated from the Plans and Specifications, Contractor shall be responsible, at its own expense, for correcting any such deviations. In addition, Contractor shall furnish additional surveys when Owner so requires, for any improvements, including structures and utilities not theretofore located on a survey.

D. Contractor shall assume full responsibility for the maintenance of all landscaping that may be required by the Drawings and Specifications until such time as both parties to this Contract shall receive written notice from HUD that such landscaping has been finally completed. Owner hereby agrees to make available to the Contractor, for such purpose, without cost to the latter, such facilities as water, hose and sprinkler.

E. There shall be withheld from the final payment an amount satisfactory to Lender and HUD for any Work items that are incomplete at the time of such final payment.

Article 8: Assurance of Completion

Contractor shall furnish to Owner assurance of completion of the Work in the form of (specify) 100% Payment Bond (HUD-92452A-M) and 100% Performance Bond (HUD-92452M) in the amount of $16,291,315.00. Such assurance of completion shall run to Owner and Lender as obligees and shall contain a provision whereby the surety agrees that any claim or right of action that either Owner or Lender might have thereunder may be assigned to HUD.

Article 9: Waiver of Lien or Claim

A. In jurisdictions where permitted by law, Contractor shall not file a mechanic’s or materialman’s lien or maintain any claim against Owner’s Land or Improvements for or on account of any Work done, labor performed or materials furnished under this Contract, and shall include in each subcontract a clause which shall impose this requirement on the subcontractor.

B. In jurisdictions where permitted by law, Owner may require Contractor to execute a waiver of liens that shall be recorded prior to the commencement of construction. Contractor for itself, subcontractors, suppliers, materialmen, and all persons acting through or under it, agrees not to file or maintain mechanics’ liens or claims against the property described herein, on account of Work done, labor performed or materials provided by them.
Article 10: Right of Entry

A. At all times during construction, HUD, Lender, and their agents or assigns shall have the right of entry and free access to the Project and the right to inspect all Work done and materials, equipment and fixtures furnished, installed or stored in and about the Project. For such purpose, Contractor shall furnish such enclosed working space as Lender or HUD may require and find acceptable as to location, size, accommodations and furnishings.

Article 11: Assignments, Subcontracts and Termination

A. This Contract shall not be assigned by either party without the prior written consent of the other party, Lender and HUD, except that Owner may assign this Contract, or any rights hereunder, to Lender or HUD.
B. Contractor shall not subcontract all of the Work to be performed hereunder without the prior written consent of Owner, Lender and HUD.
C. Upon request by Owner, Lender or HUD, Contractor shall disclose the names of all persons with whom it has contracted or will contract with respect to Work to be done and materials and equipment to be furnished hereunder.
D. Contractor understands that the Work under this Contract is to be financed by a building loan to be secured by a Security Instrument and insured by HUD, and that the terms of said Loan are set forth in a Building Loan Agreement between Owner as Borrower and PNC Bank National Association as Lender.
E. Contractor further understands that said Building Loan Agreement provides that, in the event of the failure of Owner to perform its obligations to Lender hereunder, Lender may, as attorney-in-fact for Owner, undertake the completion of the Project in accordance with this Contract. In the event Lender elects not to undertake such completion, this Contract shall terminate pursuant to AIA Document A201 § 14.2 in the case of termination for cause, or AIA Document A201 § 14.4 in the case of termination for convenience.

Article 12: Roles of HUD and Lender

HUD is the insurer of Lender's Loan made to finance the construction identified herein, pursuant to the Building Loan Agreement. Nothing provided herein, no action or inaction of the parties to this Contract, or actions or inaction by any third parties, shall impute to HUD or Lender status as a party to this Agreement; HUD and Lender have no liability to Contractor or Owner under the Contract Documents.

Article 13: Cost Certification -- Lump Sum Contract

In the event HUD determines that there is an Identity of Interest between Contractor and Owner, Contractor shall certify, on a form prescribed by HUD, its cost incurred in the performance of the Work under this Contract.
Article 14: Designation of Representatives

A. Owner hereby designates Scott Johnson as its representative for all communications involving Work performed pursuant to this Contract.

B. Contractor hereby designates Neal Hildebrandt as its representative for all communications involving Work to be performed pursuant to this Contract.

Article 15: Mediation and Non-Binding Arbitration

Any mediated settlement agreement or non-binding arbitration agreement made pursuant to the General Conditions must be approved by HUD in writing before it will be effective.

Article 16: Headings and Titles

Any heading, section title, paragraph or part of this Agreement is intended for convenience only, and is not intended, and shall not be construed, to enlarge, restrict, limit or affect in any way the construction, meaning, or application of the provisions thereunder, or under any other heading or title.

Article 17: Severability

The invalidity of any provision of this Contract shall not affect the validity of any other provision, and all other provisions shall remain in full force and effect.
IN WITNESS WHEREOF, the parties to these presents have executed this Contract in counterparts, each of which shall be deemed an original.

PALLADIUM DENTON, LTD.,
a Texas limited partnership

By: Palladium Denton GP, LLC,
a Texas limited liability company,
its general partner

By: Palladium Denton GP Mgr., Inc.
a Texas corporation,
its manager

By: Thomas E. Huth, President

TREYMORE CONSTRUCTION, LLC
a Texas limited liability company

By: Neal R. Hildebrandt, President
General Conditions of the Contract for Construction

for the following PROJECT:
(Name and location or address)
Palladium Denton
1255 Poinsettia Blvd.
Denton, Texas 76208

THE OWNER:
(Name, legal status and address)
Palladium Denton, Ltd.
13455 Noel Road, Suite 400
Dallas, Texas 75240

THE ARCHITECT:
(Name, legal status and address)
Cross Architects
1255 West 15th Street, Suite 125
Plano, Texas 75075

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ADDITIONS AND DELETIONS:
The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An Additions and Deletions Report that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.
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ARTICLE 1 GENERAL PROVISIONS
§ 1.1 BASIC DEFINITIONS
§ 1.1.1 THE CONTRACT DOCUMENTS
The Contract Documents are enumerated in the Agreement between the Owner and Contractor (hereinafter the Agreement) and consist of the Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of the Contract, other documents listed in the Agreement and Modifications issued after execution of the Contract. A Modification is (1) a written amendment to the Contract signed by both parties, (2) a Change Order, (3) a Construction Change Directive or (4) a written order for a minor change in the Work issued by the Architect. Unless specifically enumerated in the Agreement, the Contract Documents do not include the advertisement or invitation to bid, Instructions to Bidders, sample forms, other information furnished by the Owner in anticipation of receiving bids or proposals, the Contractor’s bid or proposal, or portions of Addenda relating to bidding requirements.

§ 1.1.2 THE CONTRACT
The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. The Contract may be amended or modified only by a Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind (1) between the Contractor and the Architect or the Architect’s consultants, (2) between the Owner and a Subcontractor or a Sub-subcontractor, (3) between the Owner and the Architect or the Architect’s consultants or (4) between any persons or entities other than the Owner and the Contractor. The Architect shall, however, be entitled to performance and enforcement of obligations under the Contract intended to facilitate performance of the Architect’s duties.

§ 1.1.3 THE WORK
The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment and services provided or to be provided by the Contractor to fulfill the Contractor’s obligations. The Work may constitute the whole or a part of the Project.

§ 1.1.4 THE PROJECT
The Project is the total construction of which the Work performed under the Contract Documents may be the whole or a part and which may include construction by the Owner and by separate contractors.

§ 1.1.5 THE DRAWINGS
The Drawings are the graphic and pictorial portions of the Contract Documents showing the design, location and dimensions of the Work, generally including plans, elevations, sections, details, schedules and diagrams.

§ 1.1.6 THE SPECIFICATIONS
The Specifications are that portion of the Contract Documents consisting of the written requirements for materials, equipment, systems, standards and workmanship for the Work, and performance of related services.

§ 1.1.7 INSTRUMENTS OF SERVICE
Instruments of Service are representations, in any medium of expression now known or later developed, of the tangible and intangible creative work performed by the Architect and the Architect’s consultants under their respective professional services agreements. Instruments of Service may include, without limitation, studies, surveys, models, sketches, drawings, specifications, and other similar materials.

§ 1.1.8 INITIAL DECISION MAKER
The Initial Decision Maker is the person identified in the Agreement to render initial decisions on Claims in accordance with Section 15.2 and certify termination of the Agreement under Section 14.2.2.

§ 1.2 CORRELATION AND INTENT OF THE CONTRACT DOCUMENTS
§ 1.2.1 The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all; performance by the Contractor shall be required only to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the indicated results.
§ 1.2.2 Organization of the Specifications into divisions, sections and articles, and arrangement of Drawings shall not control the Contractor in dividing the Work among Subcontractors or in establishing the extent of Work to be performed by any trade.

§ 1.2.3 Unless otherwise stated in the Contract Documents, words that have well-known technical or construction industry meanings are used in the Contract Documents in accordance with such recognized meanings.

§ 1.3 CAPITALIZATION
Terms capitalized in these General Conditions include those that are (1) specifically defined, (2) the titles of numbered articles or (3) the titles of other documents published by the American Institute of Architects.

§ 1.4 INTERPRETATION
In the interest of brevity the Contract Documents frequently omit modifying words such as "all" and "any" and articles such as "the" and "an," but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.

§ 1.5 OWNERSHIP AND USE OF DRAWINGS, SPECIFICATIONS AND OTHER INSTRUMENTS OF SERVICE
§ 1.5.1 The Architect and the Architect's consultants shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and will retain all common law, statutory and other reserved rights, including copyrights. The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers shall not own or claim a copyright in the Instruments of Service. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with this Project is not to be construed as publication in derogation of the Architect's or Architect's consultants' reserved rights.

§ 1.5.2 The Contractor, Subcontractors, Sub-subcontractors and material or equipment suppliers are authorized to use and reproduce the Instruments of Service provided to them solely and exclusively for execution of the Work. All copies made under this authorization shall bear the copyright notice, if any, shown on the Instruments of Service. The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers may not use the Instruments of Service on other projects or for additions to this Project outside the scope of the Work without the specific written consent of the Owner, Architect and the Architect's consultants.

§ 1.6 TRANSMISSION OF DATA IN DIGITAL FORM
If the parties intend to transmit Instruments of Service or any other information or documentation in digital form, they shall endeavor to establish necessary protocols governing such transmissions, unless otherwise already provided in the Agreement or the Contract Documents.

ARTICLE 2 OWNER
§ 2.1 GENERAL
§ 2.1.1 The Owner is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Owner shall designate in writing a representative who shall have express authority to bind the Owner with respect to all matters requiring the Owner's approval or authorization. Except as otherwise provided in Section 4.2.1, the Architect does not have such authority. The term "Owner" means the Owner or the Owner's authorized representative.

§ 2.1.2 The Owner shall furnish to the Contractor within fifteen days after receipt of a written request, information necessary and relevant for the Contractor to evaluate, give notice of or enforce mechanic's lien rights. Such information shall include a correct statement of the record legal title to the property on which the Project is located, usually referred to as the site, and the Owner's interest therein.

§ 2.2 INFORMATION AND SERVICES REQUIRED OF THE OWNER
§ 2.2.1 Prior to commencement of the Work, the Contractor may request in writing that the Owner provide reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract. Thereafter, the Contractor may only request such evidence if (1) the Owner fails to make payments to the Contractor as the Contract Documents require; (2) a change in the Work materially changes the Contract Sum; or (3) the Contractor identifies in writing a reasonable concern regarding the Owner's ability to make payment when due. The Owner shall furnish such evidence as a condition precedent to commencement or continuation of the Work or the

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portion of the Work affected by a material change. After the Owner furnishes the evidence, the Owner shall not materially vary such financial arrangements without prior notice to the Contractor.

§ 2.2.2 Except for permits and fees that are the responsibility of the Contractor under the Contract Documents, including those required under Section 3.7.1, the Owner shall secure and pay for necessary approvals, easements, assessments and charges required for construction, use or occupancy of permanent structures or for permanent changes in existing facilities.

§ 2.2.3 The Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a legal description of the site. The Contractor shall be entitled to rely on the accuracy of information furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work.

§ 2.2.4 The Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Contractor's performance of the Work with reasonable promptness after receiving the Contractor's written request for such information or services.

§ 2.2.5 Unless otherwise provided in the Contract Documents, the Owner shall furnish to the Contractor one copy of the Contract Documents for purposes of making reproductions pursuant to Section 1.5.2.

§ 2.3 OWNER'S RIGHT TO STOP THE WORK
If the Contractor fails to correct Work that is not in accordance with the requirements of the Contract Documents as required by Section 12.2 or repeatedly fails to carry out Work in accordance with the Contract Documents, the Owner may issue a written order to the Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of the Owner to stop the Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Contractor or any other person or entity, except to the extent required by Section 6.1.3.

§ 2.4 OWNER'S RIGHT TO CARRY OUT THE WORK
If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a ten-day period after receipt of written notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies the Owner may have, correct such deficiencies. In such case an appropriate Change Order shall be issued deducting from payments then or thereafter due the Contractor the reasonable cost of correcting such deficiencies, including Owner's expenses and compensation for the Architect's additional services made necessary by such default, neglect or failure. Such action by the Owner and amounts charged to the Contractor are both subject to prior approval of the Architect. If payments then or thereafter due the Contractor are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner.

ARTICLE 3 CONTRACTOR
§ 3.1 GENERAL
§ 3.1.1 The Contractor is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Contractor shall be lawfully licensed, if required in the jurisdiction where the Project is located. The Contractor shall designate in writing a representative who shall have express authority to bind the Contractor with respect to all matters under this Contract. The term "Contractor" means the Contractor or the Contractor's authorized representative.

§ 3.1.2 The Contractor shall perform the Work in accordance with the Contract Documents.

§ 3.1.3 The Contractor shall not be relieved of obligations to perform the Work in accordance with the Contract Documents either by activities or duties of the Architect in the Architect's administration of the Contract, or by tests, inspections or approvals required or performed by persons or entities other than the Contractor.
§ 3.2 REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY CONTRACTOR

§ 3.2.1 Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become generally familiar with local conditions under which the Work is to be performed and correlated personal observations with requirements of the Contract Documents.

§ 3.2.2 Because the Contract Documents are complementary, the Contractor shall, before starting each portion of the Work, carefully study and compare the various Contract Documents relative to that portion of the Work, as well as the information furnished by the Owner pursuant to Section 2.2.3, shall take field measurements of any existing conditions related to that portion of the Work, and shall observe any conditions at the site affecting it. These obligations are for the purpose of facilitating coordination and construction by the Contractor and are not for the purpose of discovering errors, omissions, or inconsistencies in the Contract Documents; however, the Contractor shall promptly report to the Architect any errors, inconsistencies or omissions discovered by or made known to the Contractor as a request for information in such form as the Architect may require. It is recognized that the Contractor’s review is made in the Contractor’s capacity as a contractor and not as a licensed design professional, unless otherwise specifically provided in the Contract Documents.

§ 3.2.3 The Contractor is not required to ascertain that the Contract Documents are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Contractor shall promptly report to the Architect any nonconformity discovered by or made known to the Contractor as a request for information in such form as the Architect may require.

§ 3.2.4 If the Contractor believes that additional cost or time is involved because of clarifications or instructions the Architect issues in response to the Contractor’s notices or requests for information pursuant to Sections 3.2.2 or 3.2.3, the Contractor shall make Claims as provided in Article 15. If the Contractor fails to perform the obligations of Sections 3.2.2 or 3.2.3, the Contractor shall pay such costs and damages to the Owner as would have been avoided if the Contractor had performed such obligations. If the Contractor performs those obligations, the Contractor shall not be liable to the Owner or Architect for damages resulting from errors, inconsistencies or omissions in the Contract Documents, for differences between field measurements or conditions and the Contract Documents, or for nonconformities of the Contract Documents to applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities.

§ 3.3 SUPERVISION AND CONSTRUCTION PROCEDURES

§ 3.3.1 The Contractor shall supervise and direct the Work, using the Contractor’s best skill and attention. The Contractor shall be solely responsible for, and have control over, construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under the Contract, unless the Contract Documents give other specific instructions concerning these matters. If the Contract Documents give specific instructions concerning construction means, methods, techniques, sequences or procedures, the Contractor shall evaluate the jobsite safety thereof and, except as stated below, shall be fully and solely responsible for the jobsite safety of such means, methods, techniques, sequences or procedures. If the Contractor determines that such means, methods, techniques, sequences or procedures may not be safe, the Contractor shall give timely written notice to the Owner and Architect and shall not proceed with that portion of the Work without further written instructions from the Architect. If the Contractor is then instructed to proceed with the required means, methods, techniques, sequences or procedures without acceptance of changes proposed by the Contractor, the Owner shall be solely responsible for any loss or damage arising solely from those Owner-required means, methods, techniques, sequences or procedures.

§ 3.3.2 The Contractor shall be responsible to the Owner for acts and omissions of the Contractor’s employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for, or on behalf of, the Contractor or any of its Subcontractors.

§ 3.3.3 The Contractor shall be responsible for inspection of portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work.

§ 3.4 LABOR AND MATERIALS

§ 3.4.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.
§ 3.4.2 Except in the case of minor changes in the Work authorized by the Architect in accordance with Sections 3.12.8 or 7.4, the Contractor may make substitutions only with the consent of the Owner, after evaluation by the Architect and in accordance with a Change Order or Construction Change Directive.

§ 3.4.3 The Contractor shall enforce strict discipline and good order among the Contractor’s employees and other persons carrying out the Work. The Contractor shall not permit employment of unfit persons or persons not properly skilled in tasks assigned to them.

§ 3.5 WARRANTY
The Contractor warrants to the Owner and Architect that materials and equipment furnished under the Contract will be of good quality and new unless the Contract Documents require or permit otherwise. The Contractor further warrants that the Work will conform to the requirements of the Contract Documents and will be free from defects, except for those inherent in the quality of the Work the Contract Documents require or permit. Work, materials, or equipment not conforming to these requirements may be considered defective. The Contractor’s warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage. If required by the Architect, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

§ 3.6 TAXES
The Contractor shall pay sales, consumer, use and similar taxes for the Work provided by the Contractor that are legally enacted when bids are received or negotiations concluded, whether or not yet effective or merely scheduled to go into effect.

§ 3.7 PERMITS, FEES, NOTICES AND COMPLIANCE WITH LAWS
§ 3.7.1 Unless otherwise provided in the Contract Documents, the Contractor shall secure and pay for the building permit as well as for other permits, fees, licenses, and inspections by government agencies necessary for proper execution and completion of the Work that are customarily secured after execution of the Contract and legally required at the time bids are received or negotiations concluded.

§ 3.7.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to performance of the Work.

§ 3.7.3 If the Contractor performs Work knowing it to be contrary to applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, the Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction.

§ 3.7.4 Concealed or Unknown Conditions. If the Contractor encounters conditions at the site that are (1) subsurface or otherwise concealed physical conditions that differ materially from those indicated in the Contract Documents or (2) unknown physical conditions of an unusual nature, that differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, the Contractor shall promptly provide notice to the Owner and the Architect before conditions are disturbed and in no event later than 21 days after first observance of the conditions. The Architect will promptly investigate such conditions and, if the Architect determines that they differ materially and cause an increase or decrease in the Contractor’s cost of, or time required for, performance of any part of the Work, will recommend an equitable adjustment in the Contract Sum or Contract Time, or both. If the Architect determines that the conditions at the site are not materially different from those indicated in the Contract Documents and that no change in the terms of the Contract is justified, the Architect shall promptly notify the Owner and Contractor in writing, stating the reasons. If either party disputes the Architect’s determination or recommendation, that party may proceed as provided in Article 15.

§ 3.7.5 If, in the course of the Work, the Contractor encounters human remains or recognizes the existence of burial markers, archaeological sites or wetlands not indicated in the Contract Documents, the Contractor shall immediately suspend any operations that would affect them and shall notify the Owner and Architect. Upon receipt of such notice, the Owner shall promptly take any action necessary to obtain governmental authorization required to resume the operations. The Contractor shall continue to suspend such operations until otherwise instructed by the Owner but shall
continue with all other operations that do not affect those remains or features. Requests for adjustments in the Contract Sum and Contract Time arising from the existence of such remains or features may be made as provided in Article 15.

§ 3.8 ALLOWANCES
§ 3.8.1 The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the Owner may direct, but the Contractor shall not be required to employ persons or entities to whom the Contractor has reasonable objection.

§ 3.8.2 Unless otherwise provided in the Contract Documents,
1. Allowances shall cover the cost to the Contractor of materials and equipment delivered at the site and all required taxes, less applicable trade discounts;
2. Contractor’s costs for unloading and handling at the site, labor, installation costs, overhead, profit and other expenses contemplated for stated allowance amounts shall be included in the Contract Sum but not in the allowances; and
3. Whenever costs are more than or less than allowances, the Contract Sum shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect (1) the difference between actual costs and the allowances under Section 3.8.2.1 and (2) changes in Contractor’s costs under Section 3.8.2.2.

§ 3.8.3 Materials and equipment under an allowance shall be selected by the Owner with reasonable promptness.

§ 3.9 SUPERINTENDENT
§ 3.9.1 The Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project site during performance of the Work. The superintendent shall represent the Contractor, and communications given to the superintendent shall be as binding as if given to the Contractor.

§ 3.9.2 The Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Owner through the Architect the name and qualifications of a proposed superintendent. The Architect may reply within 14 days to the Contractor in writing stating (1) whether the Owner or the Architect has reasonable objection to the proposed superintendent or (2) that the Architect requires additional time to review. Failure of the Architect to reply within the 14 day period shall constitute notice of no reasonable objection.

§ 3.9.3 The Contractor shall not employ a proposed superintendent to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not change the superintendent without the Owner’s consent, which shall not unreasonably be withheld or delayed.

§ 3.10 CONTRACTOR’S CONSTRUCTION SCHEDULES
§ 3.10.1 The Contractor, promptly after being awarded the Contract, shall prepare and submit for the Owner’s and Architect’s information a Contractor’s construction schedule for the Work. The schedule shall not exceed time limits current under the Contract Documents, shall be revised at appropriate intervals as required by the conditions of the Work and Project, shall be related to the entire Project to the extent required by the Contract Documents, and shall provide for expeditious and practicable execution of the Work.

§ 3.10.2 The Contractor shall prepare a submittal schedule, promptly after being awarded the Contract and thereafter as necessary to maintain a current submittal schedule, and shall submit the schedule(s) for the Architect’s approval. The Architect’s approval shall not unreasonably be delayed or withheld. The submittal schedule shall (1) be coordinated with the Contractor’s construction schedule, and (2) allow the Architect reasonable time to review submittals. If the Contractor fails to submit a submittal schedule, the Contractor shall not be entitled to any increase in Contract Sum or extension of Contract Time based on the time required for review of submittals.

§ 3.10.3 The Contractor shall perform the Work in general accordance with the most recent schedules submitted to the Owner and Architect.

§ 3.11 DOCUMENTS AND SAMPLES AT THE SITE
The Contractor shall maintain at the site for the Owner one copy of the Drawings, Specifications, Addenda, Change Orders and other Modifications, in good order and marked currently to indicate field changes and selections made during construction, and one copy of approved Shop Drawings, Product Data, Samples and similar required
§ 3.12 SHOP DRAWINGS, PRODUCT DATA AND SAMPLES

§ 3.12.1 Shop Drawings are drawings, diagrams, schedules and other data specially prepared for the Work by the Contractor or a Subcontractor, Sub-subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Work.

§ 3.12.2 Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Work.

§ 3.12.3 Samples are physical examples that illustrate materials, equipment or workmanship and establish standards by which the Work will be judged.

§ 3.12.4 Shop Drawings, Product Data, Samples and similar submittals are not Contract Documents. Their purpose is to demonstrate the way by which the Contractor proposes to conform to the information given and the design concept expressed in the Contract Documents for those portions of the Work for which the Contract Documents require submittals. Review by the Architect is subject to the limitations of Section 4.2.7. Informational submittals upon which the Architect is not expected to take responsive action may be so identified in the Contract Documents. Submittals that are not required by the Contract Documents may be returned by the Architect without action.

§ 3.12.5 The Contractor shall review for compliance with the Contract Documents, approve and submit to the Architect Shop Drawings, Product Data, Samples and similar submittals required by the Contract Documents in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Owner or of separate contractors.

§ 3.12.6 By submitting Shop Drawings, Product Data, Samples and similar submittals, the Contractor represents to the Owner and Architect that the Contractor has (1) reviewed and approved them, (2) determined and verified materials, field measurements and field construction criteria related thereto, or will do so and (3) checked and coordinated the information contained within such submittals with the requirements of the Work and of the Contract Documents.

§ 3.12.7 The Contractor shall perform no portion of the Work for which the Contract Documents require submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been approved by the Architect.

§ 3.12.8 The Work shall be in accordance with approved submittals except that the Contractor shall not be relieved of responsibility for deviations from requirements of the Contract Documents by the Architect's approval of Shop Drawings, Product Data, Samples or similar submittals unless the Contractor has specifically informed the Architect in writing of such deviation at the time of submittal and (1) the Architect has given written approval to the specific deviation as a minor change in the Work, or (2) a Change Order or Construction Change Directive has been issued authorizing the deviation. The Contractor shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples or similar submittals by the Architect's approval thereof.

§ 3.12.9 The Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples or similar submittals, to revisions other than those requested by the Architect on previous submittals. In the absence of such written notice, the Architect's approval of a resubmission shall not apply to such revisions.

§ 3.12.10 The Contractor shall not be required to provide professional services that constitute the practice of architecture or engineering unless such services are specifically required by the Contract Documents for a portion of the Work or unless the Contractor needs to provide such services in order to carry out the Contractor's responsibilities for construction means, methods, techniques, sequences and procedures. The Contractor shall not be required to provide professional services in violation of applicable law. If professional design services or certifications by a design professional related to systems, materials or equipment are specifically required of the Contractor by the Contract Documents, the Owner and the Architect will specify all performance and design criteria that such services must satisfy. The Contractor shall cause such services or certifications to be provided by a properly licensed design professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop
Drawings and other submittals prepared by such professional. Shop Drawings and other submittals related to the Work designed or certified by such professional, if prepared by others, shall bear such professional's written approval when submitted to the Architect. The Owner and the Architect shall be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications and approvals performed or provided by such design professionals, provided the Owner and Architect have specified to the Contractor all performance and design criteria that such services must satisfy. Pursuant to this Section 3.12.10, the Architect will review, approve or take other appropriate action on submittals only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Contractor shall not be responsible for the adequacy of the performance and design criteria specified in the Contract Documents.

§ 3.13 USE OF SITE
The Contractor shall confine operations at the site to areas permitted by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.

§ 3.14 CUTTING AND PATCHING
§ 3.14.1 The Contractor shall be responsible for cutting, fitting or patching required to complete the Work or to make its parts fit together properly. All areas requiring cutting, fitting and patching shall be restored to the condition existing prior to the cutting, fitting and patching, unless otherwise required by the Contract Documents.

§ 3.14.2 The Contractor shall not damage or endanger a portion of the Work or fully or partially completed construction of the Owner or separate contractors by cutting, patching or otherwise altering such construction, or by excavation. The Contractor shall not cut or otherwise alter such construction by the Owner or a separate contractor except with written consent of the Owner and of such separate contractor; such consent shall not be unreasonably withheld. The Contractor shall not unreasonably withhold from the Owner or a separate contractor the Contractor’s consent to cutting or otherwise altering the Work.

§ 3.15 CLEANING UP
§ 3.15.1 The Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Contract. At completion of the Work, the Contractor shall remove waste materials, rubbish, the Contractor’s tools, construction equipment, machinery and surplus materials from and about the Project.

§ 3.15.2 If the Contractor fails to clean up as provided in the Contract Documents, the Owner may do so and Owner shall be entitled to reimbursement from the Contractor.

§ 3.16 ACCESS TO WORK
The Contractor shall provide the Owner and Architect access to the Work in preparation and progress wherever located.

§ 3.17 ROYALTIES, PATENTS AND COPYRIGHTS
The Contractor shall pay all royalties and license fees. The Contractor shall defend suits or claims for infringement of copyrights and patent rights and shall hold the Owner and Architect harmless from loss on account thereof, but shall not be responsible for such defense or loss when a particular design, process or product of a particular manufacturer or manufacturers is required by the Contract Documents, or where the copyright violations are contained in Drawings, Specifications or other documents prepared by the Owner or Architect. However, if the Contractor has reason to believe that the required design, process or product is an infringement of a copyright or a patent, the Contractor shall be responsible for such loss unless such information is promptly furnished to the Architect.

§ 3.18 INDEMNIFICATION
§ 3.18.1 To the fullest extent permitted by law the Contractor shall indemnify and hold harmless the Owner, Architect, Architect’s consultants, and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), but only to the extent caused by the negligent acts or omissions of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a
party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity that would otherwise exist as to a party or person described in this Section 3.18.

§ 3.18.2 In claims against any person or entity indemnified under this Section 3.18 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under Section 3.18.1 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Contractor or a Subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts.

ARTICLE 4 ARCHITECT
§ 4.1 GENERAL
§ 4.1.1 The Owner shall retain an architect lawfully licensed to practice architecture or an entity lawfully practicing architecture in the jurisdiction where the Project is located. That person or entity is identified as the Architect in the Agreement and is referred to throughout the Contract Documents as if singular in number.

§ 4.1.2 Duties, responsibilities and limitations of authority of the Architect as set forth in the Contract Documents shall not be restricted, modified or extended without written consent of the Owner, Contractor and Architect. Consent shall not be unreasonably withheld.

§ 4.1.3 If the employment of the Architect is terminated, the Owner shall employ a successor architect as to whom the Contractor has no reasonable objection and whose status under the Contract Documents shall be that of the Architect.

§ 4.2 ADMINISTRATION OF THE CONTRACT
§ 4.2.1 The Architect will provide administration of the Contract as described in the Contract Documents and will be an Owner’s representative during construction until the date the Architect issues the final Certificate for Payment. The Architect will have authority to act on behalf of the Owner only to the extent provided in the Contract Documents.

§ 4.2.2 The Architect will visit the site at intervals appropriate to the stage of construction, or as otherwise agreed with the Owner, to become generally familiar with the progress and quality of the portion of the Work completed, and to determine in general if the Work observed is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. The Architect will not have control over, charge of, or responsibility for, the construction means, methods, techniques, sequences or procedures, or for the safety precautions and programs in connection with the Work, since these are solely the Contractor’s rights and responsibilities under the Contract Documents, except as provided in Section 3.3.1.

§ 4.2.3 On the basis of the site visits, the Architect will keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and report to the Owner (1) known deviations from the Contract Documents and from the most recent construction schedule submitted by the Contractor, and (2) defects and deficiencies observed in the Work. The Architect will not be responsible for the Contractor’s failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect will not have control over or charge of and will not be responsible for acts or omissions of the Contractor, Subcontractors, or their agents or employees, or any other persons or entities performing portions of the Work.

§ 4.2.4 COMMUNICATIONS FACILITATING CONTRACT ADMINISTRATION
Except as otherwise provided in the Contract Documents or when direct communications have been specially authorized, the Owner and Contractor shall endeavor to communicate with each other through the Architect about matters arising out of or relating to the Contract. Communications by and with the Architect’s consultants shall be through the Architect. Communications by and with Subcontractors and material suppliers shall be through the Contractor. Communications by and with separate contractors shall be through the Owner.

§ 4.2.5 Based on the Architect’s evaluations of the Contractor’s Applications for Payment, the Architect will review and certify the amounts due the Contractor and will issue Certificates for Payment in such amounts.

§ 4.2.6 The Architect has authority to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable, the Architect will have authority to require inspection or testing of the Work in accordance with Sections 13.5.2 and 13.5.3, whether or not such Work is fabricated, installed or completed.
However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, material and equipment suppliers, their agents or employees, or other persons or entities performing portions of the Work.

§ 4.2.7 The Architect will review and approve, or take other appropriate action upon, the Contractor’s submittals such as Shop Drawings, Product Data and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Architect’s action will be taken in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness while allowing sufficient time in the Architect’s professional judgment to permit adequate review. Review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Contractor as required by the Contract Documents. The Architect’s review of the Contractor’s submittals shall not relieve the Contractor of the obligations under Sections 3.3, 3.5 and 3.12. The Architect’s review shall not constitute approval of safety precautions or, unless otherwise specifically stated by the Architect, of any construction means, methods, techniques, sequences or procedures. The Architect’s approval of a specific item shall not indicate approval of an assembly of which the item is a component.

§ 4.2.8 The Architect will prepare Change Orders and Construction Change Directives, and may authorize minor changes in the Work as provided in Section 7.4. The Architect will investigate and make determinations and recommendations regarding concealed and unknown conditions as provided in Section 3.7.4.

§ 4.2.9 The Architect will conduct inspections to determine the date or dates of Substantial Completion and the date of final completion; issue Certificates of Substantial Completion pursuant to Section 9.8; receive and forward to the Owner, for the Owner’s review and records, written warranties and related documents required by the Contract and assembled by the Contractor pursuant to Section 9.10; and issue a final Certificate for Payment pursuant to Section 9.10.

§ 4.2.10 If the Owner and Architect agree, the Architect will provide one or more project representatives to assist in carrying out the Architect’s responsibilities at the site. The duties, responsibilities and limitations of authority of such project representatives shall be as set forth in an exhibit to be incorporated in the Contract Documents.

§ 4.2.11 The Architect will interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect’s response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness.

§ 4.2.12 Interpretations and decisions of the Architect will be consistent with the intent of, and reasonably inferable from, the Contract Documents and will be in writing or in the form of drawings. When making such interpretations and decisions, the Architect will endeavor to secure faithful performance by both Owner and Contractor, will not show partiality to either and will not be liable for results of interpretations or decisions rendered in good faith.

§ 4.2.13 The Architect’s decisions on matters relating to aesthetic effect will be final if consistent with the intent expressed in the Contract Documents.

§ 4.2.14 The Architect will review and respond to requests for information about the Contract Documents. The Architect’s response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness. If appropriate, the Architect will prepare and issue supplemental Drawings and Specifications in response to the requests for information.

ARTICLE 5 SUBCONTRACTORS
§ 5.1 DEFINITIONS
§ 5.1.1 A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Work at the site. The term "Subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term "Subcontractor" does not include a separate contractor or subcontractors of a separate contractor.
§ 5.1.2 A Sub-subcontractor is a person or entity who has a direct or indirect contract with a Subcontractor to perform a portion of the Work at the site. The term "Sub-subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Sub-subcontractor or an authorized representative of the Sub-subcontractor.

§ 5.2 AWARD OF SUBCONTRACTS AND OTHER CONTRACTS FOR PORTIONS OF THE WORK
§ 5.2.1 Unless otherwise stated in the Contract Documents or the bidding requirements, the Contractor, as soon as practicable after award of the Contract, shall furnish to the Owner through the Architect the names of persons or entities (including those who are to furnish materials or equipment fabricated to a special design) proposed for each principal portion of the Work. The Architect may reply within 14 days to the Contractor in writing stating (1) whether the Owner or the Architect has reasonable objection to any such proposed person or entity or (2) that the Architect requires additional time for review. Failure of the Owner or Architect to reply within the 14-day period shall constitute notice of no reasonable objection.

§ 5.2.2 The Contractor shall not contract with a proposed person or entity to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not be required to contract with anyone to whom the Contractor has made reasonable objection.

§ 5.2.3 If the Owner or Architect has reasonable objection to a person or entity proposed by the Contractor, the Contractor shall propose another to whom the Owner or Architect has no reasonable objection. If the proposed but rejected Subcontractor was reasonably capable of performing the Work, the Contract Sum and Contract Time shall be increased or decreased by the difference, if any, occasioned by such change, and an appropriate Change Order shall be issued before commencement of the substitute Subcontractor’s Work. However, no increase in the Contract Sum or Contract Time shall be allowed for such change unless the Contractor has acted promptly and responsively in submitting names as required.

§ 5.2.4 The Contractor shall not substitute a Subcontractor, person or entity previously selected if the Owner or Architect makes reasonable objection to such substitution.

§ 5.3 SUBCONTRACTUAL RELATIONS
By appropriate agreement, written where legally required for validity, the Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities, including the responsibility for safety of the Subcontractor’s Work, which the Contractor, by these Documents, assumes toward the Owner and Architect. Each subcontract agreement shall preserve and protect the rights of the Owner and Architect under the Contract Documents with respect to the Work to be performed by the Subcontractor so that subcontracting thereof will not prejudice such rights, and shall allow to the Subcontractor, unless specifically provided otherwise in the subcontract agreement, the benefit of all rights, remedies and redress against the Contractor that the Contractor, by the Contract Documents, has against the Owner. Where appropriate, the Contractor shall require each Subcontractor to enter into similar agreements with Sub-subcontractors. The Contractor shall make available to each proposed Subcontractor, prior to the execution of the subcontract agreement, copies of the Contract Documents to which the Subcontractor will be bound, and, upon written request of the Subcontractor, identify to the Subcontractor terms and conditions of the proposed subcontract agreement that may be at variance with the Contract Documents. Subcontractors will similarly make copies of applicable portions of such documents available to their respective proposed Sub-subcontractors.

§ 5.4 CONTINGENT ASSIGNMENT OF SUBCONTRACTS
§ 5.4.1 Each subcontract agreement for a portion of the Work is assigned by the Contractor to the Owner, provided that

1. assignment is effective only after termination of the Contract by the Owner for cause pursuant to Section 14.2 and only for those subcontract agreements that the Owner accepts by notifying the Subcontractor and Contractor in writing; and

2. assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract.

When the Owner accepts the assignment of a subcontract agreement, the Owner assumes the Contractor’s rights and obligations under the subcontract.
§ 5.4.2 Upon such assignment, if the Work has been suspended for more than 30 days, the Subcontractor's compensation shall be equitably adjusted for increases in cost resulting from the suspension.

§ 5.4.3 Upon such assignment to the Owner under this Section 5.4, the Owner may further assign the subcontract to a successor contractor or other entity. If the Owner assigns the subcontract to a successor contractor or other entity, the Owner shall nevertheless remain legally responsible for all of the successor contractor's obligations under the subcontract.

ARTICLE 6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS

§ 6.1 OWNER'S RIGHT TO PERFORM CONSTRUCTION AND TO AWARD SEPARATE CONTRACTS

§ 6.1.1 The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and to award separate contracts in connection with other portions of the Project or other construction or operations on the site under Conditions of the Contract identical or substantially similar to those including those portions related to insurance and waiver of subrogation. If the Contractor claims that delay or additional cost is involved because of such action by the Owner, the Contractor shall make such Claim as provided in Article 15.

§ 6.1.2 When separate contracts are awarded for different portions of the Project or other construction or operations on the site, the term "Contractor" in the Contract Documents in each case shall mean the Contractor who executes each separate Owner-Contractor Agreement.

§ 6.1.3 The Owner shall provide for coordination of the activities of the Owner's own forces and of each separate contractor with the Work of the Contractor, who shall cooperate with them. The Contractor shall participate with other separate contractors and the Owner in reviewing their construction schedules. The Contractor shall make any revisions to the construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by the Contractor, separate contractors and the Owner until subsequently revised.

§ 6.1.4 Unless otherwise provided in the Contract Documents, when the Owner performs construction or operations related to the Project with the Owner's own forces, the Owner shall be deemed to subject to the same obligations and to have the same rights that apply to the Contractor under the Conditions of the Contract, including, without excluding others, those stated in Article 3, this Article 6 and Articles 10, 11 and 12.

§ 6.2 MUTUAL RESPONSIBILITY

§ 6.2.1 The Contractor shall afford the Owner and separate contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's construction and operations with theirs as required by the Contract Documents.

§ 6.2.2 If part of the Contractor's Work depends for proper execution or results upon construction or operations by the Owner or a separate contractor, the Contractor shall, prior to proceeding with that portion of the Work, promptly report to the Architect apparent discrepancies or defects in such other construction that would render it unsuitable for such proper execution and results. Failure of the Contractor so to report shall constitute an acknowledgment that the Owner's or separate contractor's completed or partially completed construction is fit and proper to receive the Contractor's Work, except as to defects not then reasonably discoverable.

§ 6.2.3 The Contractor shall reimburse the Owner for costs the Owner incurs that are payable to a separate contractor because of the Contractor's delays, improperly timed activities or defective construction. The Owner shall be responsible to the Contractor for costs the Contractor incurs because of a separate contractor's delays, improperly timed activities, damage to the Work or defective construction.

§ 6.2.4 The Contractor shall promptly remedy damage the Contractor wrongfully causes to completed or partially completed construction or to property of the Owner or separate contractors as provided in Section 10.2.5.

§ 6.2.5 The Owner and each separate contractor shall have the same responsibilities for cutting and patching as are described for the Contractor in Section 3.14.
§ 6.3 OWNER’S RIGHT TO CLEAN UP
If a dispute arises among the Contractor, separate contractors and the Owner as to the responsibility under their respective contracts for maintaining the premises and surrounding area free from waste materials and rubbish, the Owner may clean up and the Architect will allocate the cost among those responsible.

ARTICLE 7 CHANGES IN THE WORK
§ 7.1 GENERAL
§ 7.1.1 Changes in the Work may be accomplished after execution of the Contract, and without invalidating the Contract, by Change Order, Construction Change Directive or order for a minor change in the Work, subject to the limitations stated in this Article 7 and elsewhere in the Contract Documents.

§ 7.1.2 A Change Order shall be based upon agreement among the Owner, Contractor and Architect; a Construction Change Directive requires agreement by the Owner and Architect and may or may not be agreed to by the Contractor; an order for a minor change in the Work may be issued by the Architect alone.

§ 7.1.3 Changes in the Work shall be performed under applicable provisions of the Contract Documents, and the Contractor shall proceed promptly, unless otherwise provided in the Change Order, Construction Change Directive or order for a minor change in the Work.

§ 7.2 CHANGE ORDERS
§ 7.2.1 A Change Order is a written instrument prepared by the Architect and signed by the Owner, Contractor and Architect stating their agreement upon all of the following:

.1 The change in the Work;
.2 The amount of the adjustment, if any, in the Contract Sum; and
.3 The extent of the adjustment, if any, in the Contract Time.

§ 7.3 CONSTRUCTION CHANGE DIRECTIVES
§ 7.3.1 A Construction Change Directive is a written order prepared by the Architect and signed by the Owner and Architect, directing a change in the Work prior to agreement on adjustment, if any, in the Contract Sum or Contract Time, or both. The Owner may by Construction Change Directive, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions, the Contract Sum and Contract Time being adjusted accordingly.

§ 7.3.2 A Construction Change Directive shall be used in the absence of total agreement on the terms of a Change Order.

§ 7.3.3 If the Construction Change Directive provides for an adjustment to the Contract Sum, the adjustment shall be based on one of the following methods:

.1 Mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation;
.2 Unit prices stated in the Contract Documents or subsequently agreed upon;
.3 Cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed or percentage fee; or
.4 As provided in Section 7.3.7.

§ 7.3.4 If unit prices are stated in the Contract Documents or subsequently agreed upon, and if quantities originally contemplated are materially changed in a proposed Change Order or Construction Change Directive so that application of such unit prices to quantities of Work proposed will cause substantial inequity to the Owner or Contractor, the applicable unit prices shall be equitably adjusted.

§ 7.3.5 Upon receipt of a Construction Change Directive, the Contractor shall promptly proceed with the change in the Work involved and advise the Architect of the Contractor’s agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time.
§ 7.3.6 A Construction Change Directive signed by the Contractor indicates the Contractor’s agreement therewith, including adjustment in Contract Sum and Contract Time or the method for determining them. Such agreement shall be effective immediately and shall be recorded as a Change Order.

§ 7.3.7 If the Contractor does not respond promptly or disagrees with the method for adjustment in the Contract Sum, the Architect shall determine the method and the adjustment on the basis of reasonable expenditures and savings of those performing the Work attributable to the change, including, in case of an increase in the Contract Sum, an amount for overhead and profit as set forth in the Agreement, or if no such amount is set forth in the Agreement, a reasonable amount. In such case, and also under Section 7.3.3, the Contractor shall keep and present, in such form as the Architect may prescribe, an itemized accounting together with appropriate supporting data. Unless otherwise provided in the Contract Documents, costs for the purposes of this Section 7.3.7 shall be limited to the following:

.1 Costs of labor, including social security, old age and unemployment insurance, fringe benefits required by agreement or custom, and workers’ compensation insurance;
.2 Costs of materials, supplies and equipment, including cost of transportation, whether incorporated or consumed;
.3 Rental costs of machinery and equipment, exclusive of hand tools, whether rented from the Contractor or others;
.4 Costs of premiums for all bonds and insurance, permit fees, and sales, use or similar taxes related to the Work; and
.5 Additional costs of supervision and field office personnel directly attributable to the change.

§ 7.3.8 The amount of credit to be allowed by the Contractor to the Owner for a deletion or change that results in a net decrease in the Contract Sum shall be actual net cost as confirmed by the Architect. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for overhead and profit shall be figured on the basis of net increase, if any, with respect to that change.

§ 7.3.9 Pending final determination of the total cost of a Construction Change Directive to the Owner, the Contractor may request payment for Work completed under the Construction Change Directive in Applications for Payment. The Architect will make an interim determination for purposes of monthly certification for payment for those costs and certify for payment the amount that the Architect determines, in the Architect’s professional judgment, to be reasonably justified. The Architect’s interim determination of cost shall adjust the Contract Sum on the same basis as a Change Order, subject to the right of either party to disagree and assert a Claim in accordance with Article 15.

§ 7.3.10 When the Owner and Contractor agree with a determination made by the Architect concerning the adjustments in the Contract Sum and Contract Time, or otherwise reach agreement upon the adjustments, such agreement shall be effective immediately and the Architect will prepare a Change Order. Change Orders may be issued for all or any part of a Construction Change Directive.

§ 7.4 MINOR CHANGES IN THE WORK
The Architect has authority to order minor changes in the Work not involving adjustment in the Contract Sum or extension of the Contract Time and not inconsistent with the intent of the Contract Documents. Such changes will be effected by written order signed by the Architect and shall be binding on the Owner and Contractor.

ARTICLE 8 TIME
§ 8.1 DEFINITIONS
§ 8.1.1 Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work.

§ 8.1.2 The date of commencement of the Work is the date established in the Agreement.

§ 8.1.3 The date of Substantial Completion is the date certified by the Architect in accordance with Section 9.8.

§ 8.1.4 The term "day" as used in the Contract Documents shall mean calendar day unless otherwise specifically defined.
§ 8.2 PROGRESS AND COMPLETION
§ 8.2.1 Time limits stated in the Contract Documents are of the essence of the Contract. By executing the Agreement the Contractor confirms that the Contract Time is a reasonable period for performing the Work.

§ 8.2.2 The Contractor shall not knowingly, except by agreement or instruction of the Owner in writing, prematurely commence operations on the site or elsewhere prior to the effective date of insurance required by Article 11 to be furnished by the Contractor and Owner. The date of commencement of the Work shall not be changed by the effective date of such insurance.

§ 8.2.3 The Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract Time.

§ 8.3 DELAYS AND EXTENSIONS OF TIME
§ 8.3.1 If the Contractor is delayed at any time in the commencement or progress of the Work by an act or neglect of the Owner or Architect, or of an employee of either, or of a separate contractor employed by the Owner; or by changes ordered in the Work; or by labor disputes, fire, unusual delay in deliveries, unavoidable casualties or other causes beyond the Contractor’s control; or by delay authorized by the Owner pending mediation and arbitration; or by other causes that the Architect determines may justify delay, then the Contract Time shall be extended by Change Order for such reasonable time as the Architect may determine.

§ 8.3.2 Claims relating to time shall be made in accordance with applicable provisions of Article 15.

§ 8.3.3 This Section 8.3 does not preclude recovery of damages for delay by either party under other provisions of the Contract Documents.

ARTICLE 9 PAYMENTS AND COMPLETION
§ 9.1 CONTRACT SUM
The Contract Sum is stated in the Agreement and, including authorized adjustments, is the total amount payable by the Owner to the Contractor for performance of the Work under the Contract Documents.

§ 9.2 SCHEDULE OF VALUES
Where the Contract is based on a stipulated sum or Guaranteed Maximum Price, the Contractor shall submit to the Architect, before the first Application for Payment, a schedule of values allocating the entire Contract Sum to the various portions of the Work and prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor’s Applications for Payment.

§ 9.3 APPLICATIONS FOR PAYMENT
§ 9.3.1 At least ten days before the date established for each progress payment, the Contractor shall submit to the Architect an itemized Application for Payment prepared in accordance with the schedule of values, if required under Section 9.2, for completed portions of the Work. Such application shall be notarized, if required, and supported by such data substantiating the Contractor’s right to payment as the Owner or Architect may require, such as copies of requisitions from Subcontractors and material suppliers, and shall reflect retainage if provided for in the Contract Documents.

§ 9.3.1.1 As provided in Section 7.3.9, such applications may include requests for payment on account of changes in the Work that have been properly authorized by Construction Change Directives, or by interim determinations of the Architect, but not yet included in Change Orders.

§ 9.3.1.2 Applications for Payment shall not include requests for payment for portions of the Work for which the Contractor does not intend to pay a Subcontractor or material supplier, unless such Work has been performed by others whom the Contractor intends to pay.

§ 9.3.2 Unless otherwise provided in the Contract Documents, payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the Owner, payment may similarly be made for materials and equipment suitably stored off the site at a location agreed upon in writing. Payment for materials and equipment stored on or off the site shall be conditioned upon

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compliance by the Contractor with procedures satisfactory to the Owner to establish the Owner’s title to such materials and equipment or otherwise protect the Owner’s interest, and shall include the costs of applicable insurance, storage and transportation to the site for such materials and equipment stored off the site.

§ 9.3.3 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Contractor’s knowledge, information and belief, be free and clear of liens, claims, security interests or encumbrances in favor of the Contractor, Subcontractors, material suppliers, or other persons or entities making a claim by reason of having provided labor, materials and equipment relating to the Work.

§ 9.4 CERTIFICATES FOR PAYMENT

§ 9.4.1 The Architect will, within seven days after receipt of the Contractor’s Application for Payment, either issue to the Owner a Certificate for Payment, with a copy to the Contractor, for such amount as the Architect determines is properly due, or notify the Contractor and Owner in writing of the Architect’s reasons for withholding certification in whole or in part as provided in Section 9.5.1.

§ 9.4.2 The issuance of a Certificate for Payment will constitute a representation by the Architect to the Owner, based on the Architect’s evaluation of the Work and the data comprising the Application for Payment, that, to the best of the Architect’s knowledge, information and belief, the Work has progressed to the point indicated and that the quality of the Work is in accordance with the Contract Documents. The foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to results of subsequent tests and inspections, to correction of minor deviations from the Contract Documents prior to completion and to specific qualifications expressed by the Architect. The issuance of a Certificate for Payment will further constitute a representation that the Contractor is entitled to payment in the amount certified. However, the issuance of a Certificate for Payment will not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by the Owner to substantiate the Contractor’s right to payment, or (4) made examination to ascertain how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

§ 9.5 DECISIONS TO WITHHOLD CERTIFICATION

§ 9.5.1 The Architect may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner, if in the Architect’s opinion the representations to the Owner required by Section 9.4.2 cannot be made. If the Architect is unable to certify payment in the amount of the Application, the Architect will notify the Contractor and Owner as provided in Section 9.4.1. If the Contractor and Architect cannot agree on a revised amount, the Architect will promptly issue a Certificate for Payment for the amount for which the Architect is able to make such representations to the Owner. The Architect may also withhold a Certificate for Payment or, because of subsequently discovered evidence, may nullify the whole or a part of a Certificate for Payment previously issued, to such extent as may be necessary in the Architect’s opinion to protect the Owner from loss for which the Contractor is responsible, including loss resulting from acts and omissions described in Section 3.3.2, because of

1. defective Work not remedied;
2. third party claims filed or reasonable evidence indicating probable filing of such claims unless security acceptable to the Owner is provided by the Contractor;
3. failure of the Contractor to make payments properly to Subcontractors or for labor, materials or equipment;
4. reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum;
5. damage to the Owner or a separate contractor;
6. reasonable evidence that the Work will not be completed within the Contract Time, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay; or
7. repeated failure to carry out the Work in accordance with the Contract Documents.

§ 9.5.2 When the above reasons for withholding certification are removed, certification will be made for amounts previously withheld.

§ 9.5.3 If the Architect withholds certification for payment under Section 9.5.1.3, the Owner may, at its sole option, issue joint checks to the Contractor and to any Subcontractor or material or equipment suppliers to whom the

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User Notes:
Contractor failed to make payment for Work properly performed or material or equipment suitably delivered. If the Owner makes payments by joint check, the Owner shall notify the Architect and the Architect will reflect such payment on the next Certificate for Payment.

§ 9.6 PROGRESS PAYMENTS
§ 9.6.1 After the Architect has issued a Certificate for Payment, the Owner shall make payment in the manner and within the time provided in the Contract Documents, and shall so notify the Architect.

§ 9.6.2 The Contractor shall pay each Subcontractor no later than seven days after receipt of payment from the Owner the amount to which the Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of the Subcontractor’s portion of the Work. The Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to Sub-subcontractors in a similar manner.

§ 9.6.3 The Architect will, on request, furnish to a Subcontractor, if practicable, information regarding percentages of completion or amounts applied for by the Contractor and action taken thereon by the Architect and Owner on account of portions of the Work done by such Subcontractor.

§ 9.6.4 The Owner has the right to request written evidence from the Contractor that the Contractor has properly paid Subcontractors and material and equipment suppliers amounts paid by the Owner to the Contractor for subcontracted Work. If the Contractor fails to furnish such evidence within seven days, the Owner shall have the right to contact Subcontractors to ascertain whether they have been properly paid. Neither the Owner nor Architect shall have an obligation to pay or to see to the payment of money to a Subcontractor, except as may otherwise be required by law.

§ 9.6.5 Contractor payments to material and equipment suppliers shall be treated in a manner similar to that provided in Sections 9.6.2, 9.6.3 and 9.6.4.

§ 9.6.6 A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not in accordance with the Contract Documents.

§ 9.6.7 Unless the Contractor provides the Owner with a payment bond in the full penal sum of the Contract Sum, payments received by the Contractor for Work properly performed by Subcontractors and suppliers shall be held by the Contractor for those Subcontractors or suppliers who performed Work or furnished materials, or both, under contract with the Contractor for which payment was made by the Owner. Nothing contained herein shall require money to be placed in a separate account and not commingled with money of the Contractor, shall create any fiduciary liability or tort liability on the part of the Contractor for breach of trust or shall entitle any person or entity to an award of punitive damages against the Contractor for breach of the requirements of this provision.

§ 9.7 FAILURE OF PAYMENT
If the Architect does not issue a Certificate for Payment, through no fault of the Contractor, within seven days after receipt of the Contractor’s Application for Payment, or if the Owner does not pay the Contractor within seven days after the date established in the Contract Documents the amount certified by the Architect or awarded by binding dispute resolution, then the Contractor may, upon seven additional days’ written notice to the Owner and Architect, stop the Work until payment of the amount owing has been received. The Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor’s reasonable costs of shut-down, delay and start-up, plus interest as provided for in the Contract Documents.

§ 9.8 SUBSTANTIAL COMPLETION
§ 9.8.1 Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work for its intended use.

§ 9.8.2 When the Contractor considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor shall prepare and submit to the Architect a comprehensive list of items to be completed or corrected prior to final payment. Failure to include an item on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents.
§ 9.8.3 Upon receipt of the Contractor’s list, the Architect will make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Architect’s inspection discloses any item, whether or not included on the Contractor’s list, which is not sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work or designated portion thereof for its intended use, the Contractor shall, before issuance of the Certificate of Substantial Completion, complete or correct such item upon notification by the Architect. In such case, the Contractor shall then submit a request for another inspection by the Architect to determine Substantial Completion.

§ 9.8.4 When the Work or designated portion thereof is substantially complete, the Architect will prepare a Certificate of Substantial Completion that shall establish the date of Substantial Completion, shall establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance, and shall fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

§ 9.8.5 The Certificate of Substantial Completion shall be submitted to the Owner and Contractor for their written acceptance of responsibilities assigned to them in such Certificate. Upon such acceptance and consent of surety, if any, the Owner shall make payment of retainage applying to such Work or designated portion thereof. Such payment shall be adjusted for Work that is incomplete or not in accordance with the requirements of the Contract Documents.

§ 9.9 PARTIAL OCCUPANCY OR USE
§ 9.9.1 The Owner may occupy or use any completed or partially completed portion of the Work at any stage when such portion is designated by separate agreement with the Contractor, provided such occupancy or use is consents to by the insurer as required under Section 11.3.1.5 and authorized by public authorities having jurisdiction over the Project. Such partial occupancy or use may commence whether or not the portion is substantially complete, provided the Owner and Contractor have accepted in writing the responsibilities assigned to each of them for payments, retainage, if any, security, maintenance, heat, utilities, damage to the Work and insurance, and have agreed in writing concerning the period for correction of the Work and commencement of warranties required by the Contract Documents. When the Contractor considers a portion substantially complete, the Contractor shall prepare and submit a list to the Architect as provided under Section 9.8.2. Consent of the Contractor to partial occupancy or use shall not be unreasonably withheld. The stage of the progress of the Work shall be determined by written agreement between the Owner and Contractor or, if no agreement is reached, by decision of the Architect.

§ 9.9.2 Immediately prior to such partial occupancy or use, the Owner, Contractor and Architect shall jointly inspect the area to be occupied or portion of the Work to be used in order to determine and record the condition of the Work.

§ 9.9.3 Unless otherwise agreed upon, partial occupancy or use of a portion or portions of the Work shall not constitute acceptance of Work not complying with the requirements of the Contract Documents.

§ 9.10 FINAL COMPLETION AND FINAL PAYMENT
§ 9.10.1 Upon receipt of the Contractor’s written notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Architect will promptly make such inspection and, when the Architect finds the Work acceptable under the Contract Documents and the Contract fully performed, the Architect will promptly issue a final Certificate for Payment stating that to the best of the Architect’s knowledge, information and belief, and on the basis of the Architect’s on-site visits and inspections, the Work has been completed in accordance with terms and conditions of the Contract Documents and that the entire balance found to be due the Contractor and noted in the final Certificate is due and payable. The Architect’s final Certificate for Payment will constitute a further representation that conditions listed in Section 9.10.2 as precedent to the Contractor’s being entitled to final payment have been fulfilled.

§ 9.10.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Architect (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner’s property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect and will not be canceled or allowed to expire until at least 30 days’ prior written notice has been given to the Owner, (3) a written statement that the Contractor knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract
Documents, (4) consent of surety, if any, to final payment and (5), if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner. If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien. If such lien remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging such lien, including all costs and reasonable attorneys’ fees.

§ 9.10.3 If, after Substantial Completion of the Work, final completion thereof is materially delayed through no fault of the Contractor or by issuance of Change Orders affecting final completion, and the Architect so confirms, the Owner shall, upon application by the Contractor and certification by the Architect, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance for Work not fully completed or corrected is less than retainage stipulated in the Contract Documents, and if bonds have been furnished, the written consent of surety to payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by the Contractor to the Architect prior to certification of such payment. Such payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of claims.

§ 9.10.4 The making of final payment shall constitute a waiver of Claims by the Owner except those arising from

   .1 liens, Claims, security interests or encumbrances arising out of the Contract and unsettled;
   .2 failure of the Work to comply with the requirements of the Contract Documents; or
   .3 terms of special warranties required by the Contract Documents.

§ 9.10.5 Acceptance of final payment by the Contractor, a Subcontractor or material supplier shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY
§ 10.1 SAFETY PRECAUTIONS AND PROGRAMS
The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Contract.

§ 10.2 SAFETY OF PERSONS AND PROPERTY
§ 10.2.1 The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to

   .1 employees on the Work and other persons who may be affected thereby;
   .2 the Work and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody or control of the Contractor or the Contractor’s Subcontractors or Sub-subcontractors; and
   .3 other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction.

§ 10.2.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury or loss.

§ 10.2.3 The Contractor shall erect and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent sites and utilities.

§ 10.2.4 When use or storage of explosives or other hazardous materials or equipment or unusual methods are necessary for execution of the Work, the Contractor shall exercise utmost care and carry on such activities under supervision of properly qualified personnel.

§ 10.2.5 The Contractor shall promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Contract Documents) to property referred to in Sections 10.2.1.2 and 10.2.1.3 caused in


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whole or in part by the Contractor, a Subcontractor, a Sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible under Sections 10.2.1.2 and 10.2.1.3, except damage or loss attributable to acts or omissions of the Owner or Architect or anyone directly or indirectly employed by either of them, or by anyone for whose acts either of them may be liable, and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor’s obligations under Section 3.18.

§ 10.2.6 The Contractor shall designate a responsible member of the Contractor’s organization at the site whose duty shall be the prevention of accidents. This person shall be the Contractor’s superintendent unless otherwise designated by the Contractor in writing to the Owner and Architect.

§ 10.2.7 The Contractor shall not permit any part of the construction or site to be loaded so as to cause damage or create an unsafe condition.

§ 10.2.8 INJURY OR DAMAGE TO PERSON OR PROPERTY
If either party suffers injury or damage to person or property because of an act or omission of the other party, or of others for whose acts such party is legally responsible, written notice of such injury or damage, whether or not insured, shall be given to the other party within a reasonable time not exceeding 21 days after discovery. The notice shall provide sufficient detail to enable the other party to investigate the matter.

§ 10.3 HAZARDOUS MATERIALS
§ 10.3.1 The Contractor is responsible for compliance with any requirements included in the Contract Documents regarding hazardous materials. If the Contractor encounters a hazardous material or substance not addressed in the Contract Documents and if reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance, including but not limited to asbestos or polychlorinated biphenyl (PCB), encountered on the site by the Contractor, the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and report the condition to the Owner and Architect in writing.

§ 10.3.2 Upon receipt of the Contractor’s written notice, the Owner shall obtain the services of a licensed laboratory to verify the presence or absence of the material or substance reported by the Contractor and, in the event such material or substance is found to be present, to cause it to be rendered harmless. Unless otherwise required by the Contract Documents, the Owner shall furnish in writing to the Contractor and Architect the names and qualifications of persons or entities who are to perform tests verifying the presence or absence of such material or substance or who are to perform the task of removal or safe containment of such material or substance. The Contractor and the Architect will promptly reply to the Owner in writing stating whether or not either has reasonable objection to the persons or entities proposed by the Owner. If either the Contractor or Architect has an objection to a person or entity proposed by the Owner, the Owner shall propose another to whom the Contractor and the Architect have no reasonable objection. When the material or substance has been rendered harmless, Work in the affected area shall resume upon written agreement of the Owner and Contractor. By Change Order, the Contract Time shall be extended appropriately and the Contract Sum shall be increased in the amount of the Contractor’s reasonable additional costs of shut-down, delay and start-up.

§ 10.3.3 To the fullest extent permitted by law, the Owner shall indemnify and hold harmless the Contractor, Subcontractors, Architect, Architect’s consultants and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys’ fees, arising out of or resulting from performance of the Work in the affected area if in fact the material or substance presents the risk of bodily injury or death as described in Section 10.3.1 and has not been rendered harmless, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), except to the extent that such damage, loss or expense is due to the fault or negligence of the party seeking indemnity.

§ 10.3.4 The Owner shall not be responsible under this Section 10.3 for materials or substances the Contractor brings to the site unless such materials or substances are required by the Contract Documents. The Owner shall be responsible for materials or substances required by the Contract Documents, except to the extent of the Contractor’s fault or negligence in the use and handling of such materials or substances.
§ 10.3.5 The Contractor shall indemnify the Owner for the cost and expense the Owner incurs (1) for remediation of a material or substance the Contractor brings to the site and negligently handles, or (2) where the Contractor fails to perform its obligations under Section 10.3.1, except to the extent that the cost and expense are due to the Owner’s fault or negligence.

§ 10.3.6 If, without negligence on the part of the Contractor, the Contractor is held liable by a government agency for the cost of remediation of a hazardous material or substance solely by reason of performing Work as required by the Contract Documents, the Owner shall indemnify the Contractor for all cost and expense thereby incurred.

§ 10.4 EMERGENCIES
In an emergency affecting safety of persons or property, the Contractor shall act, at the Contractor’s discretion, to prevent threatened damage, injury or loss. Additional compensation or extension of time claimed by the Contractor on account of an emergency shall be determined as provided in Article 15 and Article 7.

ARTICLE 11 INSURANCE AND BONDS
§ 11.1 CONTRACTOR’S LIABILITY INSURANCE
§ 11.1.1 The Contractor shall purchase and maintain in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located such insurance as will protect the Contractor from claims set forth below which may arise out of or result from the Contractor’s operations and completed operations under the Contract and for which the Contractor may be legally liable, whether such operations be by the Contractor or by a Subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

.1 Claims under workers’ compensation, disability benefit and other similar employee benefit acts that are applicable to the Work to be performed;

.2 Claims for damages because of bodily injury, occupational sickness or disease, or death of the Contractor’s employees;

.3 Claims for damages because of bodily injury, sickness or disease, or death of any person other than the Contractor’s employees;

.4 Claims for damages insured by usual personal injury liability coverage;

.5 Claims for damages, other than to the Work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom;

.6 Claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle;

.7 Claims for bodily injury or property damage arising out of completed operations; and

.8 Claims involving contractual liability insurance applicable to the Contractor’s obligations under Section 3.18.

§ 11.1.2 The insurance required by Section 11.1.1 shall be written for not less than limits of liability specified in the Contract Documents or required by law, whichever coverage is greater. Coverages, whether written on an occurrence or claims-made basis, shall be maintained without interruption from the date of commencement of the Work until the date of final payment and termination of any coverage required to be maintained after final payment, and, with respect to the Contractor’s completed operations coverage, until the expiration of the period for correction of Work or for such other period for maintenance of completed operations coverage as specified in the Contract Documents.

§ 11.1.3 Certificates of insurance acceptable to the Owner shall be filed with the Owner prior to commencement of the Work and thereafter upon renewal or replacement of each required policy of insurance. These certificates and the insurance policies required by this Section 11.1 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days’ prior written notice has been given to the Owner. An additional certificate evidencing continuation of liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment as required by Section 9.10.2 and thereafter upon renewal or replacement of such coverage until the expiration of the time required by Section 11.1.2. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the Contractor with reasonable promptness.

§ 11.1.4 The Contractor shall cause the commercial liability coverage required by the Contract Documents to include (1) the Owner, the Architect, the Architect’s consultants, PNC Bank National Association, ISAOA, ATIMA and Columbia Housing SLP Corporation, ISAOA as additional insureds for claims caused in whole or in part by the
Contractor’s negligent acts or omissions during the Contractor’s operations; and (2) the Owner, PNC Bank National Association, ISAOA, ATMA and Columbia Housing SLP Corporation, ISAOA as an additional insured for claims caused in whole or in part by the Contractor’s negligent acts or omissions during the Contractor’s completed operations.

§ 11.2 OWNER’S LIABILITY INSURANCE
The Owner shall be responsible for purchasing and maintaining the Owner’s usual liability insurance.

§ 11.3 PROPERTY INSURANCE
§ 11.3.1 Unless otherwise provided, the Owner shall purchase and maintain, in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located, property insurance written on a builder’s risk “all-risk” or equivalent policy form in the amount of the initial Contract Sum, plus value of subsequent Contract Modifications and cost of materials supplied or installed by others, comprising total value for the entire Project at the site on a replacement cost basis without optional deductibles. Such property insurance shall be maintained, unless otherwise provided in the Contract Documents or otherwise agreed in writing by all persons and entities who are beneficiaries of such insurance, until final payment has been made as provided in Section 9.10 or until no person or entity other than the Owner has an insurable interest in the property required by this Section 11.3 to be covered, whichever is later. This insurance shall include interests of the Owner, the Contractor, Subcontractors and Sub-subcontractors in the Project.

§ 11.3.1.1 Property insurance shall be on an “all-risk” or equivalent policy form and shall include, without limitation, insurance against the perils of fire (with extended coverage) and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, earthquake, flood, windstorm, falsework, testing and startup, temporary buildings and debris removal including demolition occasioned by enforcement of any applicable legal requirements, and shall cover reasonable compensation for Architect’s and Contractor’s services and expenses required as a result of such insured loss.

§ 11.3.1.2 If the Owner does not intend to purchase such property insurance required by the Contract and with all of the coverages in the amount described above, the Owner shall so inform the Contractor in writing prior to commencement of the Work. The Contractor may then effect insurance that will protect the interests of the Contractor, Subcontractors and Sub-subcontractors in the Work, and by appropriate Change Order the cost thereof shall be charged to the Owner. If the Contractor is damaged by the failure or neglect of the Owner to purchase or maintain insurance as described above, without so notifying the Contractor in writing, then the Owner shall bear all reasonable costs properly attributable thereto.

§ 11.3.1.3 If the property insurance requires deductibles, the Owner shall pay costs not covered because of such deductibles.

§ 11.3.1.4 This property insurance shall cover portions of the Work stored off the site, and also portions of the Work in transit.

§ 11.3.1.5 Partial occupancy or use in accordance with Section 9.9 shall not commence until the insurance company or companies providing property insurance have consented to such partial occupancy or use by endorsement or otherwise. The Owner and the Contractor shall take reasonable steps to obtain consent of the insurance company or companies and shall, without mutual written consent, take no action with respect to partial occupancy or use that would cause cancellation, lapse or reduction of insurance.

§ 11.3.2 BOILER AND MACHINERY INSURANCE
The Owner shall purchase and maintain boiler and machinery insurance required by the Contract Documents or by law, which shall specifically cover such insured objects during installation and until final acceptance by the Owner; this insurance shall include interests of the Owner, Contractor, Subcontractors and Sub-subcontractors in the Work, and the Owner and Contractor shall be named insureds.

§ 11.3.3 LOSS OF USE INSURANCE
The Owner, at the Owner’s option, may purchase and maintain such insurance as will insure the Owner against loss of use of the Owner’s property due to fire or other hazards, however caused. The Owner waives all rights of action
against the Contractor for loss of use of the Owner’s property, including consequential losses due to fire or other hazards however caused.

§ 11.3.4 If the Contractor requests in writing that insurance for risks other than those described herein or other special causes of loss be included in the property insurance policy, the Owner shall, if possible, include such insurance, and the cost thereof shall be charged to the Contractor by appropriate Change Order.

§ 11.3.5 If during the Project construction period the Owner insures properties, real or personal or both, at or adjacent to the site by property insurance under policies separate from those insuring the Project, or if after final payment property insurance is to be provided on the completed Project through a policy or policies other than those insuring the Project during the construction period, the Owner shall waive all rights in accordance with the terms of Section 11.3.7 for damages caused by fire or other causes of loss covered by this separate property insurance. All separate policies shall provide this waiver of subrogation by endorsement or otherwise.

§ 11.3.6 Before an exposure to loss may occur, the Owner shall file with the Contractor a copy of each policy that includes insurance coverages required by this Section 11.3. Each policy shall contain all generally applicable conditions, definitions, exclusions and endorsements related to this Project. Each policy shall contain a provision that the policy will not be canceled or allowed to expire, and that its limits will not be reduced, until at least 30 days’ prior written notice has been given to the Contractor.

§ 11.3.7 WAIVERS OF SUBROGATION
The Owner and Contractor waive all rights against (1) each other and any of their subcontractors, sub-subcontractors, agents and employees, each of the other, and (2) the Architect, Architect’s consultants, separate contractors described in Article 6, if any, and any of their subcontractors, sub-subcontractors, agents and employees, for damages caused by fire or other causes of loss to the extent covered by property insurance obtained pursuant to this Section 11.3 or other property insurance applicable to the Work, except such rights as they have to proceeds of such insurance held by the Owner as fiduciary. The Owner or Contractor, as appropriate, shall require of the Architect, Architect’s consultants, separate contractors described in Article 6, if any, and the subcontractors, sub-subcontractors, agents and employees of any of them, by appropriate agreements, written where legally required for validity, similar waivers each in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

§ 11.3.8 A loss insured under the Owner’s property insurance shall be adjusted by the Owner as fiduciary and made payable to the Owner as fiduciary for the insureds, as their interests may appear, subject to requirements of any applicable mortgagee clause and of Section 11.3.10. The Contractor shall pay Subcontractors their just shares of insurance proceeds received by the Contractor, and by appropriate agreements, written where legally required for validity, shall require Subcontractors to make payments to their Sub-subcontractors in similar manner.

§ 11.3.9 If required in writing by a party in interest, the Owner as fiduciary shall, upon occurrence of an insured loss, give bond for proper performance of the Owner’s duties. The cost of required bonds shall be charged against proceeds received as fiduciary. The Owner shall deposit in a separate account proceeds so received, which the Owner shall distribute in accordance with such agreement as the parties in interest may reach, or as determined in accordance with the method of binding dispute resolution selected in the Agreement between the Owner and Contractor. If after such loss no other special agreement is made and unless the Owner terminates the Contract for convenience, replacement of damaged property shall be performed by the Contractor after notification of a Change in the Work in accordance with Article 7.

§ 11.3.10 The Owner as fiduciary shall have power to adjust and settle a loss with insurers unless one of the parties in interest shall object in writing within five days after occurrence of loss to the Owner’s exercise of this power; if such objection is made, the dispute shall be resolved in the manner selected by the Owner and Contractor as the method of binding dispute resolution in the Agreement. If the Owner and Contractor have selected arbitration as the method of binding dispute resolution, the Owner as fiduciary shall make settlement with insurers or, in the case of a dispute over distribution of insurance proceeds, in accordance with the directions of the arbitrators.
§ 11.4 PERFORMANCE BOND AND PAYMENT BOND
§ 11.4.1 The Owner shall have the right to require the Contractor to furnish bonds covering faithful performance of the Contract and payment of obligations arising thereunder as stipulated in bidding requirements or specifically required in the Contract Documents on the date of execution of the Contract.

§ 11.4.2 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the bonds or shall authorize a copy to be furnished.

ARTICLE 12 UNCOVERING AND CORRECTION OF WORK
§ 12.1 UNCOVERING OF WORK
§ 12.1.1 If a portion of the Work is covered contrary to the Architect’s request or to requirements specifically expressed in the Contract Documents, it must, if requested in writing by the Architect, be uncovered for the Architect’s examination and be replaced at the Contractor’s expense without change in the Contract Time.

§ 12.1.2 If a portion of the Work has been covered that the Architect has not specifically requested to examine prior to its being covered, the Architect may request to see such Work and it shall be uncovered by the Contractor. If such Work is in accordance with the Contract Documents, costs of uncovering and replacement shall, by appropriate Change Order, be at the Owner’s expense. If such Work is not in accordance with the Contract Documents, such costs and the cost of correction shall be at the Contractor’s expense unless the condition was caused by the Owner or a separate contractor in which event the Owner shall be responsible for payment of such costs.

§ 12.2 CORRECTION OF WORK
§ 12.2.1 BEFORE OR AFTER SUBSTANTIAL COMPLETION
The Contractor shall promptly correct Work rejected by the Architect or failing to conform to the requirements of the Contract Documents, whether discovered before or after Substantial Completion and whether or not fabricated, installed, or completed. Costs of correcting such rejected Work, including additional testing and inspections, the cost of uncovering and replacement, and compensation for the Architect’s services and expenses made necessary thereby, shall be at the Contractor’s expense.

§ 12.2.2 AFTER SUBSTANTIAL COMPLETION
§ 12.2.2.1 In addition to the Contractor’s obligations under Section 3.5, if, within one year after the date of Substantial Completion of the Work or designated portion thereof or after the date for commencement of warranties established under Section 9.9.1, or by terms of an applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition. The Owner shall give such notice promptly after discovery of the condition. During the one-year period for correction of Work, if the Owner fails to notify the Contractor and give the Contractor an opportunity to make the correction, the Owner waives the rights to require correction by the Contractor and to make a claim for breach of warranty. If the Contractor fails to correct nonconforming Work within a reasonable time during that period after receipt of notice from the Owner or Architect, the Owner may correct it in accordance with Section 2.4.

§ 12.2.2.2 The one-year period for correction of Work shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual completion of that portion of the Work.

§ 12.2.2.3 The one-year period for correction of Work shall not be extended by corrective Work performed by the Contractor pursuant to this Section 12.2.

§ 12.2.3 The Contractor shall remove from the site portions of the Work that are not in accordance with the requirements of the Contract Documents and are neither corrected by the Contractor nor accepted by the Owner.

§ 12.2.4 The Contractor shall bear the cost of correcting destroyed or damaged construction, whether completed or partially completed, of the Owner or separate contractors caused by the Contractor’s correction or removal of Work that is not in accordance with the requirements of the Contract Documents.
§ 12.2.5 Nothing contained in this Section 12.2 shall be construed to establish a period of limitation with respect to other obligations the Contractor has under the Contract Documents. Establishment of the one-year period for correction of Work as described in Section 12.2.2 relates only to the specific obligation of the Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Contractor’s liability with respect to the Contractor’s obligations other than specifically to correct the Work.

§ 12.3 ACCEPTANCE OF NONCONFORMING WORK
If the Owner prefers to accept Work that is not in accordance with the requirements of the Contract Documents, the Owner may do so instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made.

ARTICLE 13 MISCELLANEOUS PROVISIONS
§ 13.1 GOVERNING LAW
The Contract shall be governed by the law of the place where the Project is located except that, if the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 15.4.

§ 13.2 SUCCESSORS AND ASSIGNS
§ 13.2.1 The Owner and Contractor respectively bind themselves, their partners, successors, assigns and legal representatives to covenants, agreements and obligations contained in the Contract Documents. Except as provided in Section 13.2.2, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make such an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 13.2.2 The Owner may, without consent of the Contractor, assign the Contract to a lender providing construction financing for the Project, if the lender assumes the Owner’s rights and obligations under the Contract Documents. The Contractor shall execute all consents reasonably required to facilitate such assignment.

§ 13.3 WRITTEN NOTICE
Written notice shall be deemed to have been duly served if delivered in person to the individual, to a member of the firm or entity, or to an officer of the corporation for which it was intended; or if delivered at, or sent by registered or certified mail or by courier service providing proof of delivery to, the last business address known to the party giving notice.

§ 13.4 RIGHTS AND REMEDIES
§ 13.4.1 Duties and obligations imposed by the Contract Documents and rights and remedies available thereunder shall be in addition to and not a limitation of duties, obligations, rights and remedies otherwise imposed or available by law.

§ 13.4.2 No action or failure to act by the Owner, Architect or Contractor shall constitute a waiver of a right or duty afforded them under the Contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach there under, except as may be specifically agreed in writing.

§ 13.5 TESTS AND INSPECTIONS
§ 13.5.1 Tests, inspections and approvals of portions of the Work shall be made as required by the Contract Documents and by applicable laws, statutes, ordinances, codes, rules and regulations or lawful orders of public authorities. Unless otherwise provided, the Contractor shall make arrangements for such tests, inspections and approvals with an independent testing laboratory or entity acceptable to the Owner, or with the appropriate public authority, and shall bear all related costs of tests, inspections and approvals. The Contractor shall give the Architect timely notice of when and where tests and inspections are to be made so that the Architect may be present for such procedures. The Owner shall bear costs of (1) tests, inspections or approvals that do not become requirements until after bids are received or negotiations concluded, and (2) tests, inspections or approvals where building codes or applicable laws or regulations prohibit the Owner from delegating their cost to the Contractor.

§ 13.5.2 If the Architect, Owner or public authorities having jurisdiction determine that portions of the Work require additional testing, inspection or approval not included under Section 13.5.1, the Architect will, upon written authorization from the Owner, instruct the Contractor to make arrangements for such additional testing, inspection or approval by an entity acceptable to the Owner, and the Contractor shall give timely notice to the Architect of when and
where tests and inspections are to be made so that the Architect may be present for such procedures. Such costs, except as provided in Section 13.5.3, shall be at the Owner’s expense.

§ 13.5.3 If such procedures for testing, inspection or approval under Sections 13.5.1 and 13.5.2 reveal failure of the portions of the Work to comply with requirements established by the Contract Documents, all costs made necessary by such failure including those of repeated procedures and compensation for the Architect’s services and expenses shall be at the Contractor’s expense.

§ 13.5.4 Required certificates of testing, inspection or approval shall, unless otherwise required by the Contract Documents, be secured by the Contractor and promptly delivered to the Architect.

§ 13.5.5 If the Architect is to observe tests, inspections or approvals required by the Contract Documents, the Architect will do so promptly and, where practicable, at the normal place of testing.

§ 13.5.6 Tests or inspections conducted pursuant to the Contract Documents shall be made promptly to avoid unreasonable delay in the Work.

§ 13.6 INTEREST
Payments due and unpaid under the Contract Documents shall bear interest from the date payment is due at such rate as the parties may agree upon in writing or, in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

§ 13.7 TIME LIMITS ON CLAIMS
The Owner and Contractor shall commence all claims and causes of action, whether in contract, tort, breach of warranty or otherwise, against the other arising out of or related to the Contract in accordance with the requirements of the final dispute resolution method selected in the Agreement within the time period specified by applicable law, but in any case not more than 10 years after the date of Substantial Completion of the Work. The Owner and Contractor waive all claims and causes of action not commenced in accordance with this Section 13.7.

ARTICLE 14 TERMINATION OR SUSPENSION OF THE CONTRACT
§ 14.1 TERMINATION BY THE CONTRACTOR
§ 14.1.1 The Contractor may terminate the Contract if the Work is stopped for a period of 30 consecutive days through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Contractor, for any of the following reasons:

.1 Issuance of an order of a court or other public authority having jurisdiction that requires all Work to be stopped;

.2 An act of government, such as a declaration of national emergency that requires all Work to be stopped;

.3 Because the Architect has not issued a Certificate for Payment and has not notified the Contractor of the reason for withholding certification as provided in Section 9.4.1, or because the Owner has not made payment on a Certificate for Payment within the time stated in the Contract Documents; or

.4 The Owner has failed to furnish to the Contractor promptly, upon the Contractor’s request, reasonable evidence as required by Section 2.2.1.

§ 14.1.2 The Contractor may terminate the Contract if, through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Contractor, repeated suspensions, delays or interruptions of the entire Work by the Owner as described in Section 14.3 constitute in the aggregate more than 100 percent of the total number of days scheduled for completion, or 120 days in any 365-day period, whichever is less.

§ 14.1.3 If one of the reasons described in Section 14.1.1 or 14.1.2 exists, the Contractor may, upon seven days’ written notice to the Owner and Architect, terminate the Contract and recover from the Owner payment for Work executed, including reasonable overhead and profit, costs incurred by reason of such termination, and damages.

§ 14.1.4 If the Work is stopped for a period of 60 consecutive days through no act or fault of the Contractor or a Subcontractor or their agents or employees or any other persons performing portions of the Work under contract with the Contractor because the Owner has repeatedly failed to fulfill the Owner’s obligations under the Contract

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Documents with respect to matters important to the progress of the Work, the Contractor may, upon seven additional days’ written notice to the Owner and the Architect, terminate the Contract and recover from the Owner as provided in Section 14.1.3.

§ 14.2 TERMINATION BY THE OWNER FOR CAUSE
§ 14.2.1 The Owner may terminate the Contract if the Contractor
.1 repeatedly refuses or fails to supply enough properly skilled workers or proper materials;
.2 fails to make payment to Subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the Subcontractors;
.3 repeatedly disregards applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of a public authority; or
.4 otherwise is guilty of substantial breach of a provision of the Contract Documents.

§ 14.2.2 When any of the above reasons exist, the Owner, upon certification by the Initial Decision Maker that sufficient cause exists to justify such action, may without prejudice to any other rights or remedies of the Owner and after giving the Contractor and the Contractor’s surety, if any, seven days’ written notice, terminate employment of the Contractor and may, subject to any prior rights of the surety:
.1 Exclude the Contractor from the site and take possession of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor;
.2 Accept assignment of subcontracts pursuant to Section 5.4; and
.3 Finish the Work by whatever reasonable method the Owner may deem expedient. Upon written request of the Contractor, the Owner shall furnish to the Contractor a detailed accounting of the costs incurred by the Owner in finishing the Work.

§ 14.2.3 When the Owner terminates the Contract for one of the reasons stated in Section 14.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

§ 14.2.4 If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, including compensation for the Architect’s services and expenses made necessary thereby, and other damages incurred by the Owner and not expressly waived, such excess shall be paid to the Contractor. If such costs and damages exceed the unpaid balance, the Contractor shall pay the difference to the Owner. The amount to be paid to the Contractor or Owner, as the case may be, shall be certified by the Initial Decision Maker, upon application, and this obligation for payment shall survive termination of the Contract.

§ 14.3 SUSPENSION BY THE OWNER FOR CONVENIENCE
§ 14.3.1 The Owner may, without cause, order the Contractor in writing to suspend, delay or interrupt the Work in whole or in part for such period of time as the Owner may determine.

§ 14.3.2 The Contract Sum and Contract Time shall be adjusted for increases in the cost and time caused by suspension, delay or interruption as described in Section 14.3.1. Adjustment of the Contract Sum shall include profit. No adjustment shall be made to the extent
.1 that performance is, was or would have been so suspended, delayed or interrupted by another cause for which the Contractor is responsible; or
.2 that an equitable adjustment is made or denied under another provision of the Contract.

§ 14.4 TERMINATION BY THE OWNER FOR CONVENIENCE
§ 14.4.1 The Owner may, at any time, terminate the Contract for the Owner’s convenience and without cause.

§ 14.4.2 Upon receipt of written notice from the Owner of such termination for the Owner’s convenience, the Contractor shall
.1 cease operations as directed by the Owner in the notice;
.2 take actions necessary, or that the Owner may direct, for the protection and preservation of the Work; and
.3 except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.
§ 14.4.3 In case of such termination for the Owner’s convenience, the Contractor shall be entitled to receive payment for Work executed, and costs incurred by reason of such termination, along with reasonable overhead and profit on the Work not executed.

ARTICLE 15 CLAIMS AND DISPUTES
§ 15.1 CLAIMS
§ 15.1.1 DEFINITION
A Claim is a demand or assertion by one of the parties seeking, as a matter of right, payment of money, or other relief with respect to the terms of the Contract. The term "Claim" also includes other disputes and matters in question between the Owner and Contractor arising out of or relating to the Contract. The responsibility to substantiate Claims shall rest with the party making the Claim.

§ 15.1.2 NOTICE OF CLAIMS
Claims by either the Owner or Contractor must be initiated by written notice to the other party and to the Initial Decision Maker with a copy sent to the Architect, if the Architect is not serving as the Initial Decision Maker. Claims by either party must be initiated within 21 days after occurrence of the event giving rise to such Claim or within 21 days after the claimant first recognizes the condition giving rise to the Claim, whichever is later.

§ 15.1.3 CONTINUING CONTRACT PERFORMANCE
Pending final resolution of a Claim, except as otherwise agreed in writing or as provided in Section 9.7 and Article 14, the Contractor shall proceed diligently with performance of the Contract and the Owner shall continue to make payments in accordance with the Contract Documents. The Architect will prepare Change Orders and issue Certificates for Payment in accordance with the decisions of the Initial Decision Maker.

§ 15.1.4 CLAIMS FOR ADDITIONAL COST
If the Contractor wishes to make a Claim for an increase in the Contract Sum, written notice as provided herein shall be given before proceeding to execute the Work. Prior notice is not required for Claims relating to an emergency endangering life or property arising under Section 10.4.

§ 15.1.5 CLAIMS FOR ADDITIONAL TIME
§ 15.1.5.1 If the Contractor wishes to make a Claim for an increase in the Contract Time, written notice as provided herein shall be given. The Contractor’s Claim shall include an estimate of cost and of probable effect of delay on progress of the Work. In the case of a continuing delay, only one Claim is necessary.

§ 15.1.5.2 If adverse weather conditions are the basis for a Claim for additional time, such Claim shall be documented by data substantiating that weather conditions were abnormal for the period of time, could not have been reasonably anticipated and had an adverse effect on the scheduled construction.

§ 15.1.6 CLAIMS FOR CONSEQUENTIAL DAMAGES
The Contractor and Owner waive Claims against each other for consequential damages arising out of or relating to this Contract. This mutual waiver includes

.1 damages incurred by the Owner for rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons; and

.2 damages incurred by the Contractor for principal office expenses including the compensation of personnel stationed there, for losses of financing, business and reputation, and for loss of profit except anticipated profit arising directly from the Work.

This mutual waiver is applicable, without limitation, to all consequential damages due to either party’s termination in accordance with Article 14. Nothing contained in this Section 15.1.6 shall be deemed to preclude an award of liquidated damages, when applicable, in accordance with the requirements of the Contract Documents.

§ 15.2 INITIAL DECISION
§ 15.2.1 Claims, excluding those arising under Sections 10.3, 10.4, 11.3.9, and 11.3.10, shall be referred to the Initial Decision Maker for initial decision. The Architect will serve as the Initial Decision Maker, unless otherwise indicated in the Agreement. Except for those Claims excluded by this Section 15.2.1, an initial decision shall be required as a condition precedent to mediation of any Claim arising prior to the date final payment is due, unless 30 days have

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passed after the Claim has been referred to the Initial Decision Maker with no decision having been rendered. Unless the Initial Decision Maker and all affected parties agree, the Initial Decision Maker will not decide disputes between the Contractor and persons or entities other than the Owner.

§ 15.2.2 The Initial Decision Maker will review Claims and within ten days of the receipt of a Claim take one or more of the following actions: (1) request additional supporting data from the claimant or a response with supporting data from the other party, (2) reject the Claim in whole or in part, (3) approve the Claim, (4) suggest a compromise, or (5) advise the parties that the Initial Decision Maker is unable to resolve the Claim if the Initial Decision Maker lacks sufficient information to evaluate the merits of the Claim or if the Initial Decision Maker concludes that, in the Initial Decision Maker’s sole discretion, it would be inappropriate for the Initial Decision Maker to resolve the Claim.

§ 15.2.3 In evaluating Claims, the Initial Decision Maker may, but shall not be obligated to, consult with or seek information from either party or from persons with special knowledge or expertise who may assist the Initial Decision Maker in rendering a decision. The Initial Decision Maker may request the Owner to authorize retention of such persons at the Owner’s expense.

§ 15.2.4 If the Initial Decision Maker requests a party to provide a response to a Claim or to furnish additional supporting data, such party shall respond, within ten days after receipt of such request, and shall either (1) provide a response on the requested supporting data, (2) advise the Initial Decision Maker when the response or supporting data will be furnished or (3) advise the Initial Decision Maker that no supporting data will be furnished. Upon receipt of the response or supporting data, if any, the Initial Decision Maker will either reject or approve the Claim in whole or in part.

§ 15.2.5 The Initial Decision Maker will render an initial decision approving or rejecting the Claim, or indicating that the Initial Decision Maker is unable to resolve the Claim. This initial decision shall (1) be in writing; (2) state the reasons therefor; and (3) notify the parties and the Architect, if the Architect is not serving as the Initial Decision Maker, of any change in the Contract Sum or Contract Time or both. The initial decision shall be final and binding on the parties but subject to mediation and, if the parties fail to resolve their dispute through mediation, to binding dispute resolution.

§ 15.2.6 Either party may file for mediation of an initial decision at any time, subject to the terms of Section 15.2.6.1.

§ 15.2.6.1 Either party may, within 30 days from the date of an initial decision, demand in writing that the other party file for mediation within 60 days of the initial decision. If such a demand is made and the party receiving the demand fails to file for mediation within the time required, then both parties waive their rights to mediate or pursue binding dispute resolution proceedings with respect to the initial decision.

§ 15.2.7 In the event of a Claim against the Contractor, the Owner may, but is not obligated to, notify the surety, if any, of the nature and amount of the Claim. If the Claim relates to a possibility of a Contractor’s default, the Owner may, but is not obligated to, notify the surety and request the surety’s assistance in resolving the controversy.

§ 15.2.8 If a Claim relates to or is the subject of a mechanic’s lien, the party asserting such Claim may proceed in accordance with applicable law to comply with the lien notice or filing deadlines.

§ 15.3 MEDIATION

§ 15.3.1 Claims, disputes, or other matters in controversy arising out of or related to the Contract except those waived as provided for in Sections 9.10.4, 9.10.5, and 15.1.6 shall be subject to mediation as a condition precedent to binding dispute resolution.

§ 15.3.2 The parties shall endeavor to resolve their Claims by mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the date of the Agreement. A request for mediation shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of binding dispute resolution proceedings but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties.
or court order. If an arbitration is stayed pursuant to this Section 15.3.2, the parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.

§ 15.3.3 The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

§ 15.4 ARBITRATION
§ 15.4.1 INTENTIONALLY DELETED.
(Paragraphs deleted)
SUPPLEMENTARY CONDITIONS
OF THE CONTRACT FOR
CONSTRUCTION

U.S. Department of Housing
and Urban Development
Office of Housing

OMB Approval No. 2502-0598
(Exp. 06/30/2017)

Article 1: Labor Standards

A. Applicability. The Project or program to which the construction work covered by this Contract pertains is being assisted or insured by the United States of America, and the following Federal Labor Standards Provisions are included in this Contract or related instrument pursuant to the provisions applicable to such Federal assistance or insurance. Any statute or regulation contained herein shall also include any subsequent amendment or successor statute or regulation.

B. Minimum Wages. Pursuant to Section 212 of the National Housing Act, as amended, 12 U.S.C. 1715c, the minimum wage provisions contained in this paragraph B do not apply to those projects with Security Instruments insured under Section 221(h)(1) designed for less than 9 families and they do not apply to those projects with Security Instruments insured under either Section 220 or 233 designed for less than 12 families.

1. (i) All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the Project) shall be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the Contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section 1 (b)(2) of the Davis-Bacon Act (40 U.S.C. 3141(2)(B)(ii)) on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each.
classification for the time actually worked therein: Provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conform to 5.5(a)(1)(ii)) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the Contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

(ii) (a) Any class of laborers or mechanics that is not listed in the wage determination and that is to be employed under this Contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(b) If the Contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, U.S. Department of Labor, Washington, D.C. 20210 ("Administrator"). The Administrator, or an authorized representative, shall approve, modify, or disapprove every additional classification action within thirty (30) days of receipt and so advise HUD or its designee or shall notify HUD or its designee within the thirty (30) day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB control number 1215-0140.)

(c) In the event the Contractor, the laborers or mechanics to be employed in the classification or their representatives and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, shall issue a determination within thirty (30) days of receipt and so advise HUD or its designee or shall notify HUD or its designee within the thirty (30) day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

(d) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs B.1.(ii)(b) or (c) of this Article, shall be paid to all workers.
performing work in the classification under this Contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the Contract for a class of laborers or mechanics includes a fringe benefit that is not expressed as an hourly rate, the Contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the Contractor does not make payments to a trustee or other third person, the Contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the Contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the Contractor to set aside in a separate account assets for the meeting of obligations under the plan or program. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

2. Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the Contractor under this Contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the Contractor or any subcontractor the full amount of wages required by the Contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the Project), all or part of the wages required by the Contract, HUD or its designee may, after written notice to the Contractor, sponsor, applicant, or Owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the Contractor, disburse such amounts withheld for and on account of the Contractor or subcontractor to the respective employees to whom they are due.

3. Payrolls, records, and certifications.
   (i) Payrolls and basic records relating thereto shall be maintained by the Contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work (or under the United States Housing Act of 1937, or under the Housing Act of 1949, in the construction or development of the Project). Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section 1 (b)(2)(B) of the Davis-Bacon Act (40 U.S.C. 3141(2)(B)(ii)), daily and weekly number of hours worked, deductions made and actual wages paid.
Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section 1 (b)(2)(B) of the Davis-Bacon Act (40 U.S.C. 3141(2)(B)(ii)), the Contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs. (Approved by the Office of Management and Budget under OMB Control Numbers 1215-0140 and 1215-0017.)

(ii)(a) The Contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a party to the Contract, but if the agency is not such a party, the Contractor shall submit the payrolls to the applicant, sponsor, or Owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee’s social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at http://www.dol.gov/whd/forms/wh347.pdf or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to HUD or its designee if the agency is a party to the Contract, but if the agency is not such a party, the Contractor will submit the payrolls to the applicant sponsor, or Owner, as the case may be, for transmission to HUD or its designee, the Contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this subparagraph for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to HUD or its designee. (Approved by the Office of Management and Budget under OMB Control Number 1215-0149.)

(b) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the Contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the Contract and shall certify the following:
(1) That the payroll for the payroll period contains the information required to be provided under 29 CFR 5.5(a)(3)(ii), the appropriate information is being maintained under 29 CFR 5.5(a)(3)(i), and that such information is correct and complete.

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the Contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the Contract.

(c) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by subparagraph B.3.(ii)(b) of this Article.

(d) The falsification of any of the above certifications may subject the Contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Sections 3801 et seq of Title 31 of the United States Code.

(iii) The Contractor or subcontractor shall make the records required under subparagraph B.3.(i) of this Article available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the Contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the Contractor, sponsor, applicant, or Owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

4. Apprentices and Trainees.

(i) Apprentices. Apprentices shall be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship, or with a State Apprenticeship Agency recognized by such Office, or if a person is employed in his or her first ninety (90) days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship, or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in
any craft classification shall not be greater than the ratio permitted to the Contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where the Contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the Contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship, or a State Apprenticeship Agency recognized by such Office, withdraws approval of an apprenticeship program, the Contractor shall no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) **Trainees.** Except as provided in 29 CFR 5.16, trainees shall not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman's hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws
approval of a training program, the Contractor shall no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under 29 CFR Part 5 shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

5. Compliance with Copeland Act Requirements. The Contractor shall comply with the requirements of 29 CFR Part 3, which are incorporated by reference in this Contract.

6. Subcontracts. The Contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraphs 1 through 10 of this paragraph B and such other clauses as HUD or its designee may by appropriate instructions require, and a copy of the applicable prevailing wage determination, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all Contract clauses referenced in this subparagraph.

7. Contract termination and debarment. A breach of the Contract clauses in 29 CFR 5.5 may be grounds for termination of the Contract, and for debarment as a contractor or a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this Contract.

9. Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this Contract shall not be subject to the general disputes clause of this Contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the Contractor (or any of its subcontractors) and HUD or its designee, the U.S. Department of Labor, or the employees or their representatives.

10. Certification of Eligibility.
   (i) By entering into this Contract, the Contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the Contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act (40 U.S.C. 3144(b)(2)) or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

   (ii) No part of this Contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of Section 3(a) of the Davis-Bacon Act (40
U.S.C. 3144(b)(2)) or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001. Additionally, U.S. Criminal Code, Section 1010, Title 18, U.S.C., "Federal Housing Administration transactions", provides in part: “Whoever, for the purpose of . . . influencing in any way the action of such Department . . . makes, passes, utters or publishes any statement, knowing the same to be false . . . shall be fined under this title or imprisoned not more than two years, or both.”

C. Contract Work Hours and Safety Standards Act.

1. Applicability and Definitions. This paragraph C of Article 1 is applicable only if a direct form of federal assistance is involved, such as Section 8, Section 202/811 Capital Advance, grants etc., and is applicable only where the prime contract is in an amount greater than $100,000. As used in this paragraph C, the terms "laborers" and "mechanics" include watchmen and guards.

2. Overtime requirements. No contractor or subcontractor contracting for any part of the Contract work that may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty (40) hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty (40) hours in such workweek.

3. Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the immediately preceding subparagraph C.2, the Contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, the Contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory) for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of such subparagraph, in the sum of $10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty (40) hours without payment of the overtime wages required by the clause set forth in such subparagraph.

4. Withholding for unpaid wages and liquidated damages. HUD or its designee shall, upon its own action or upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from any moneys payable on account of work performed by the Contractor or subcontractor under any such contract, or under any other Federal contract with the same prime contractor, or under any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act which is held by the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such Contractor or
subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph 3 of this paragraph C.

5. **Subcontracts.** The Contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraphs 1 through 5 of this paragraph C and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in such subparagraphs 1 through 5.

D. **Certification.**

For projects with Security Instruments insured under the National Housing Act, as amended, that are subject to paragraph B of this Article 1, the Contractor is required to execute the Contractor's Prevailing Wage Certificate within HUD-92448 as a condition precedent to insurance by HUD of the Loan, or an advance thereof, made or to be made by the Lender in connection with the construction of the Project.

**Article 2: Equal Employment Opportunity**

A. **Applicability.** This Article 2 applies to any contract for construction work, or modification thereof, as defined in the regulations of the Secretary of Labor at 41 CFR Chapter 60, which is paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to a grant, contract, loan insurance, or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance, or guarantee.

B. The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, disability, or national origin. The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, disability or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training including apprenticeship. The Contractor agrees to post in conspicuous places available to employees and applicants for employment notices to be provided setting forth the provisions of this nondiscrimination clause.

C. The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor state that all qualified applicants shall receive consideration for employment without regard to race, color, religion, sex, disability, or national origin.

D. The Contractor shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice to be provided advising the said labor union or workers representatives of the Contractor's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
E. The Contractor shall comply with all provisions of Executive Order 11246 of September 24, 1965 and of the rules, regulations, and relevant orders of the Secretary of Labor.

F. The Contractor shall furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and shall permit access to its books, records, and accounts by the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

G. In the event of the Contractor's noncompliance with the nondiscrimination clauses of this Contract or with any of the said rules, regulations, or orders, this Contract may be canceled, terminated, or suspended in whole or in part and Contractor may be declared ineligible for further government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulations or order of the Secretary of Labor, or as otherwise provided by law.

H. The Contractor shall include the provisions of paragraphs A through H of this Article 2 in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions shall be binding upon each subcontractor or vendor. The Contractor shall take such action with respect to any subcontract or purchase order as HUD or the Secretary of Labor may direct as a means of enforcing such provisions, including sanctions for noncompliance. Provided, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by HUD or the Secretary of Labor, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

**Article 3: Equal Opportunity for Businesses and Lower Income Persons Located Within the Project Area**

A. This Article 3 is applicable to projects covered by Section 3, as defined in 24 CFR Part 135.

B. The work to be performed under this Contract is on a project assisted under a program providing direct Federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to lower income residents of the unit of local government or the metropolitan area (or non-metropolitan county) as determined by HUD in which the Project is located and contracts for work in connection with the Project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the same metropolitan area (or non-metropolitan county) as the Project.

**Article 4: Health and Safety**
A. This Article 4 is applicable only where the prime contract is in an amount
greater than $100,000.

B. No laborer or mechanic shall be required to work in surroundings or under
working conditions which are unsanitary, hazardous, or dangerous to his or her health
and safety as determined under construction safety and health standards promulgated
by the Secretary of Labor by regulation.

C. The Contractor shall comply with all regulations issued by the Secretary of
Labor pursuant to 29 CFR Part 1926, and failure to comply may result in imposition of
sanctions pursuant to the Contract Work Hours and Safety Standards Act, 40 USC 3701
et seq.

D. The Contractor shall include the provisions of this Article 4 in every
subcontract so that such provisions shall be binding on each subcontractor. The
Contractor shall take such action with respect to any subcontract as HUD
or the Secretary of Labor shall direct as a means of enforcing such provisions.
GENERAL CONTRACTOR CERTIFICATION
CONSTRUCTION DRAWINGS AND SPECIFICATIONS

Project Name: Palladium Denton                  # Units: 150       City, State: Denton, TX

General Contractor certifies that he has prepared his Bid based on Final Drawings and Specifications listed below prepared by the Architect and Engineering Consultants for above project. These documents represent the total scope of work submitted for HUD FIRM COMMITMENT:

1. Architectural drawings:          No of Sheets 85       Date 02/15/2018
2. Civil Engineering drawings:     No of Sheets 39       Date 02/13/2018
3. Off Site Drawings:              No of Sheets 0        Date
4. Structural Engineering drawings: No of Sheets 29       Date 02/15/2018
5. Retaining Wall drawings:        No of Sheets 0        Date
6. Mechanical (MEP) Engineering drawings: No of Sheets 43       Date 02/15/2018
7. Landscape Architect drawings:   No of Sheets 39       Date 02/15/2018
8. Interior drawings:              No of Sheets 0        Date

TOTAL NUMBER OF SHEETS: 238

PROJECT MANUAL AND SPECIFICATIONS:
No of Sheets 695       Date 01/22/2018

ADDENDUMS NO.
No of Sheets 0        Date

GEOTECHNICAL REPORT NO. OF SHEETS
No of Sheets 37       Date 12/12/2017

ADDENDUM NO.
No of Sheets 0        Date

SURVEY / PLAT SHEET NO. OF SHEETS
No of Sheets 2        Date 12/20/2017

General Contractor’s Firm: Treymore Construction, LLC

General Contractor’s Name (Print or type): Neal Hildebrandt

Signature:                President Date: 2/28/2018

Intereves Engineering

Lender’s AE Review Report A 10
Contractor's and/or Mortgagor's Cost Breakdown
Schedules of Values

Public reporting burden for this collection of information is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB Control Number.

Section 227 of the National Housing Act (Section 128 of the Housing Act of 1954, Public Law 560, 12 U.S.C., 1715r), authorizes the collection of this information. The information is required for a general contractor when an identity of interest exists between the general contractor and the mortgagor or when the mortgagor is a non-profit entity and a cost plus contract has been used. The information is used by HUD to facilitate the advances of mortgage proceeds and their monitoring.

Privacy Act Notice. The United States Department of Housing and Urban Development, Federal Housing Administration, is authorized to solicit the Information requested in this form by virtue of Title 12, United States Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. While no assurances of confidentiality is pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information request.

<table>
<thead>
<tr>
<th>Date</th>
<th>Sponsor</th>
<th>Palladium Denton, Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>02/14/18</td>
<td>Building Identification</td>
<td>Master</td>
</tr>
<tr>
<td>113-35766</td>
<td>Location</td>
<td>SE Corner Loop 288 and FM 428, Denton, Texas</td>
</tr>
</tbody>
</table>

This form represents the Contractors and/or Mortgagors firm costs and services as a basis for disbursing dollar amounts when insured advances are requested. Detailed instructions for completing this form are included on the reverse side.

<table>
<thead>
<tr>
<th>Line</th>
<th>Div</th>
<th>Trade Item</th>
<th>Cost</th>
<th>Trade Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>3</td>
<td>Concrete</td>
<td>1,006,063</td>
<td>Slab &amp; beam; lightweight; termite; testing</td>
</tr>
<tr>
<td>2</td>
<td>4</td>
<td>Masonry</td>
<td>657,550</td>
<td>Brick and simulated stone</td>
</tr>
<tr>
<td>3</td>
<td>5</td>
<td>Metals</td>
<td>258,809</td>
<td>Stairs and rails</td>
</tr>
<tr>
<td>4</td>
<td>6</td>
<td>Rough Carpentry</td>
<td>2,723,631</td>
<td>Framing labor &amp; material; trusses</td>
</tr>
<tr>
<td>5</td>
<td>8</td>
<td>Finish Carpentry</td>
<td>92,139</td>
<td>Interior trim &amp; labor</td>
</tr>
<tr>
<td>6</td>
<td>7</td>
<td>Waterproofing</td>
<td>53,638</td>
<td>Flashing</td>
</tr>
<tr>
<td>7</td>
<td>7</td>
<td>Insulation</td>
<td>131,414</td>
<td>Ceiling, wall, floor insulation</td>
</tr>
<tr>
<td>8</td>
<td>7</td>
<td>Roofing</td>
<td>338,459</td>
<td>Roofing materials &amp; labor</td>
</tr>
<tr>
<td>9</td>
<td>7</td>
<td>Sheet Metal</td>
<td>88,421</td>
<td>Cutters &amp; downspouts</td>
</tr>
<tr>
<td>10</td>
<td>8</td>
<td>Doors</td>
<td>271,131</td>
<td>Exterior, roof access, common, interior &amp; hardware</td>
</tr>
<tr>
<td>11</td>
<td>8</td>
<td>Windows</td>
<td>113,231</td>
<td>Windows &amp; screens</td>
</tr>
<tr>
<td>12</td>
<td>8</td>
<td>Glass</td>
<td>49,146</td>
<td>Glass, Mirrors</td>
</tr>
<tr>
<td>13</td>
<td>8</td>
<td>Lath &amp; Plaster</td>
<td>99,749</td>
<td>Stucco</td>
</tr>
<tr>
<td>14</td>
<td>9</td>
<td>Drywall</td>
<td>861,760</td>
<td>Drywall, tape, bed &amp; texture</td>
</tr>
<tr>
<td>15</td>
<td>9</td>
<td>Tile Work</td>
<td>4,101</td>
<td>Tub surrounds</td>
</tr>
<tr>
<td>16</td>
<td>9</td>
<td>Acoustical</td>
<td>0</td>
<td>None</td>
</tr>
<tr>
<td>17</td>
<td>9</td>
<td>Wood Flooring</td>
<td>0</td>
<td>None</td>
</tr>
<tr>
<td>18</td>
<td>9</td>
<td>Resilient Flooring</td>
<td>199,148</td>
<td>Vinyl plank</td>
</tr>
<tr>
<td>19</td>
<td>9</td>
<td>Painting &amp; Decorating</td>
<td>364,236</td>
<td>Paint (interior &amp; exterior), surface prep, final unit prep.</td>
</tr>
<tr>
<td>20</td>
<td>10</td>
<td>Specialties</td>
<td>66,842</td>
<td>Fire extinguishers, signage, wire shelving</td>
</tr>
<tr>
<td>21</td>
<td>11</td>
<td>Special Equipment</td>
<td>0</td>
<td>None</td>
</tr>
<tr>
<td>22</td>
<td>11</td>
<td>Cabinets</td>
<td>363,394</td>
<td>Cabinets, kitchen &amp; vanity tops</td>
</tr>
<tr>
<td>23</td>
<td>11</td>
<td>Appliances</td>
<td>244,582</td>
<td>Refrigerators, microwaves, ranges, disposals, dishwashers</td>
</tr>
<tr>
<td>24</td>
<td>12</td>
<td>Blinds &amp; Shades, Artwork</td>
<td>36,891</td>
<td>Blinds</td>
</tr>
<tr>
<td>25</td>
<td>12</td>
<td>Carpets</td>
<td>0</td>
<td>None</td>
</tr>
<tr>
<td>26</td>
<td>13</td>
<td>Special Construction</td>
<td>289,716</td>
<td>Fire sprinklers, fire alarms</td>
</tr>
<tr>
<td>27</td>
<td>14</td>
<td>Elevators</td>
<td>0</td>
<td>None</td>
</tr>
<tr>
<td>28</td>
<td>15</td>
<td>Plumbing &amp; Hot Water</td>
<td>875,725</td>
<td>Plumbing labor &amp; material</td>
</tr>
<tr>
<td>29</td>
<td>15</td>
<td>Heat &amp; Ventilation</td>
<td>304,526</td>
<td>Heat</td>
</tr>
<tr>
<td>30</td>
<td>15</td>
<td>Air Conditioning</td>
<td>304,526</td>
<td>AC</td>
</tr>
<tr>
<td>31</td>
<td>18</td>
<td>Electrical</td>
<td>1,019,429</td>
<td>Electrical M&amp;L, fixtures, phone &amp; cable</td>
</tr>
<tr>
<td>32</td>
<td></td>
<td>Subtotal (Structure)</td>
<td>10,618,281</td>
<td></td>
</tr>
<tr>
<td>33</td>
<td></td>
<td>Accessory Structures</td>
<td>871,645</td>
<td>Club, maintenance</td>
</tr>
<tr>
<td>34</td>
<td></td>
<td>Total (Lines 32 and 33)</td>
<td>11,689,906</td>
<td></td>
</tr>
</tbody>
</table>
Unusual Site Conditions—This trade item reflects rock excavation, high water table, excessive cut and fill, retaining walls, erosion, poor drainage and other on-site conditions considered unusual.

Trade Description—Enter a brief description of the work included in each trade item.

Other Fees—Includable are fees to be paid by the Contractor, such as sewer tap fees not included in the plumbing contract. Fees paid or to be paid by the Mortgagor are not to be included on this form.

Total For All Improvements—This is the sum of lines 1 through 50 and is to include the total builder's profit (line 46).
General Decision Number: TX180024 01/05/2018  TX24

Superseded General Decision Number: TX20170024

State: Texas

Construction Type: Residential

Counties: Collin, Dallas, Denton, Ellis, Kaufman and Rockwall Counties in Texas.

RESIDENTIAL CONSTRUCTION PROJECTS (consisting of single family homes and apartments up to and including 4 stories).

Note: Under Executive Order (EO) 13658, an hourly minimum wage of $10.35 for calendar year 2018 applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2015. If this contract is covered by the EO, the contractor must pay all workers in any classification listed on this wage determination at least $10.35 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in calendar year 2018. The EO minimum wage rate will be adjusted annually. Please note that this EO applies to the above-mentioned types of contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but it does not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(2)-(60). Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

Modification Number    Publication Date
*   0        01/05/2018

SUTX1992-005 05/14/1992

<table>
<thead>
<tr>
<th>Rates</th>
<th>Fringes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BRICKLAYER</strong> .........................$ 10.802</td>
<td></td>
</tr>
<tr>
<td><strong>CARPENTER (Excluding Drywall</strong> Hanging Batt Insulation, Form <strong>Setting)</strong> .........................$ 9.283</td>
<td></td>
</tr>
<tr>
<td><strong>CERMENT MASON/CONCRETE</strong> FINISHER (Excluding Form <strong>Setting)</strong> ..........................$ 10.767</td>
<td></td>
</tr>
<tr>
<td><strong>DRYWALL HANGER</strong> .........................$ 10.00</td>
<td></td>
</tr>
<tr>
<td><strong>ELECTRICIAN</strong> ...........................$ 10.415</td>
<td></td>
</tr>
<tr>
<td><strong>Form Setter</strong> ...........................$ 10.902</td>
<td></td>
</tr>
<tr>
<td><strong>HVAC MECHANIC (Including</strong></td>
<td></td>
</tr>
</tbody>
</table>

https://www.wdol.gov/wdol/scafiles/davisbacon/TX24.dvb?v=0 2/15/2018
Pipe, Excluding Duct) $ 9.934 1.128

INSULATOR - BATT $ 15.00

Laborers: (Excluding Batt Insulation)
  Common $ 7.25
  Landscape $ 7.25
  Mason Tender (Including Cement and Brick) $ 7.25

PAINTER: Brush Only
  (Including Drywall Taping/Finishing) $ 10.467

PLUMBER (Excluding HVAC Work) $ 11.569

Power equipment operators:
  Bulldozer $ 11.611
  Front End Loader $ 12.422
  Grader $ 11.25

ROOFER, Including Built Up,
  Composition and Single Ply
  Roofs $ 8.54

TILE SETTER $ 8.54

TRUCK DRIVER $ 7.25

WELDERS - Receive rate prescribed for craft performing
  operation to which welding is incidental.

Note: Executive Order (EO) 13706, Establishing Paid Sick Leave
  for Federal Contractors applies to all contracts subject to the
  Davis-Bacon Act for which the contract is awarded (and any
  solicitation was issued) on or after January 1, 2017. If this
  contract is covered by the EO, the contractor must provide
  employees with 1 hour of paid sick leave for every 30 hours
  they work, up to 56 hours of paid sick leave each year.
  Employees must be permitted to use paid sick leave for their
  own illness, injury or other health-related needs, including
  preventive care; to assist a family member (or person who is
  like family to the employee) who is ill, injured, or has other
  health-related needs, including preventive care; or for reasons
  resulting from, or to assist a family member (or person who is
  like family to the employee) who is a victim of, domestic
  violence, sexual assault, or stalking. Additional information
  on contractor requirements and worker protections under the EO
  is available at www.dol.gov/whd/govcontracts.

Unlisted classifications needed for work not included within
  the scope of the classifications listed may be added after
  award only as provided in the labor standards contract clauses
  (29CFR 5.5 (a) (1) (ii)).
The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of "Identifiers" that indicate whether the particular rate is a union rate (current union negotiated rate for local), a survey rate (weighted average rate) or a union average rate (weighted union average rate).

Union Rate Identifiers

A four letter classification abbreviation identifier enclosed in dotted lines beginning with characters other than "SU" or "UAVG" denotes that the union classification and rate were prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of the union which prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014.

Union prevailing wage rates are updated to reflect all rate changes in the collective bargaining agreement (CBA) governing this classification and rate.

Survey Rate Identifiers

Classifications listed under the "SU" identifier indicate that no one rate prevailed for this classification in the survey and the published rate is derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As this weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SULA2012-007 5/13/2014. SU indicates the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier.

Survey wage rates are not updated and remain in effect until a new survey is conducted.

Union Average Rate Identifiers

Classification(s) listed under the UAVG identifier indicate that no single majority rate prevailed for those classifications; however, 100% of the data reported for the classifications was union data. Example: UAVG-OH-0010 08/29/2014. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in
the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

----------------------------------------------------------------------------------------------------------------------

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

* an existing published wage determination
* a survey underlying a wage determination
* a Wage and Hour Division letter setting forth a position on a wage determination matter
* a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:
4.) All decisions by the Administrative Review Board are final.

END OF GENERAL DECISION
Board Action
Public Comment
Commitment or Determination Notice
MFDL Awd
Carryover